



FEDERAL BUREAU OF INVESTIGATION

ALPHONSE CAPONE

PART 9 OF 11

BUFILE NUMBERS:

69-180

62-20619

SUBJECT Capone, Alphonse

FILE NUMBER 69-180

SECTION NUMBER 3

SERIALS 12-14

TOTAL PAGES 244

PAGES RELEASED 224

PAGES WITHHELD 20

EXEMPTION(S) USED b7C, b7D

RECEIVED

December 11, 1931.

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69-180-92

RECORDED

DEC 15 1931

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL YOUNG

Reference is made to a memorandum which I directed to you under date of December 4, 1931, transmitting a copy of a telegram received from the Special Agent in Charge of the Chicago, Illinois, office of the Bureau of Investigation relative to alleged irregular activities on the part of Alphonse Capone while in the custody of a United States Marshal at Chicago.

With further reference to this matter, I am attaching for your information a copy of a letter dated December 7, 1931, received from the Special Agent in Charge at Chicago concerning this matter.

Very truly yours,

Director.

Encl. 704350.

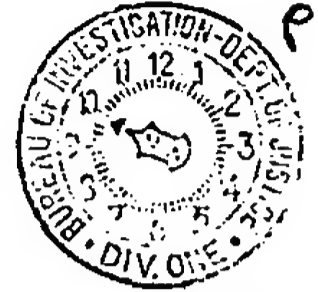
DEC 11 1931

DEPT. OF JUSTICE

Volume 3

U. S. Department of Justice
Bureau of Investigation

P.O. Box 1405,
Chicago, Illinois



DEC 9 1931 AM

AIR MAIL

December 7, 1931.

Director,
Bureau of Investigation,
Department of Justice,
Washington, D.C.

Dear Sir:

Confirming my telegram of December 3, 1931, regarding alleged undue liberties being granted to Alphonse Capone, please be advised that on December 3, 1931, U.S. District Judge James H. Wilkerson handed me the original of the following telegram, with the request that I give same appropriate attention:

WHICH TO INFORM YOU THAT AL CAPONE IS USING THE COUNTY JAIL FOR HIS LIQUOR BUSINESS AND TRANSACTIONS FROM THERE POSSIBLY AS MUCH IS NOT MORE THAN HE USED TO AT HIS OLD HEADQUARTERS AT THE LEXINGTON HOTEL HIS VISITORS SEEM TO BE COMING ALL DAY LONG AS WELL AS IN THE EVENING I AM EMPLOYED AT THIS BRANCH OF SERVICE AND CAN NOT UNDERSTAND WHY EVERY PRIVILEGE IS EXTENDED TO HIM AND NONE TO THE OTHERS PLEASE INVESTIGATE

A

At the time of the discussion with Judge Wilkerson the question was raised as to whether the allegations even if true would constitute a violation or a contempt of court, inasmuch as Al Capone is not serving the sentence recently imposed upon him, but on the contrary has been remanded to the custody of the U.S. Marshal, pending the disposition of the case by the Circuit Court of Appeals.

Pursuant to Bureau instructions, I today conferred with U.S. Attorney George E.Q. Johnson, regarding this matter, at which time he informed me that on December 2, 1931, he likewise received a telegram concerning alleged undue liberties being granted to Capone. The wording of the telegram received by Mr. Johnson is identical with that received by Judge Wilkerson.

69-180-92

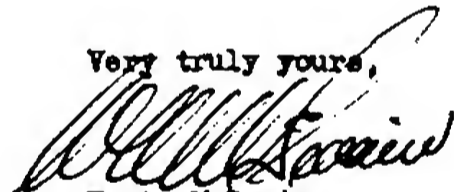
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|----------------------------|------------|
| RECEIVED | DEC 9 1931 |
| U.S. DEPARTMENT OF JUSTICE | |
| NATHAN | 7/5/31 |

Mr. Johnson is having one of his assistants render an opinion as to whether the allegations even if true would constitute contempt of court or any Federal violation. Pending this decision by the U.S. Attorney's office I am taking no action. In the event that the District Attorney's office is of the opinion that by reason of subject Capone being remanded to the Marshal rather than committed to jail, there is no Federal violation or contempt of court involved, it would appear that the matter in question is more or less an administrative one to be adjusted by the U.S. Marshal. Naturally I shall take no part in any administrative measure, and assume that such action if desirable will be amicably adjusted by the U.S. Attorney and the U.S. Marshal, or by the Department itself.

I have caused inquiry to be made with a view to determining the source of the telegram in question, and am informed by the Western Union Telegraph Company that the message in question was delivered to the Western Union Office at 1512 West Madison Street, Chicago, Illinois, on December 2, 1931. The original message was typed on a Postal Telegraph blank, and bore no name or return address. Miss A. Kulatta, the employee who accepted this telegram, will not return to duty until tomorrow afternoon, at which time the manager of the Western Union Company will interview her with a view to determining whether she remembers the party who delivered the message in question to the branch office, or can give any information regarding the identity of this party.

Upon being advised of the opinion of the U.S. Attorney's office regarding the matter in question as alluded to above, the Bureau will be advised accordingly. At any rate I shall undertake no investigative activity in connection with this case until the Bureau has been fully informed thereof.

Very truly yours,



W. A. McSwain,
Special Agent in Charge.

WAM/cec



DEC 9 1931 PM

MS
QMB

CAPONE JURY PLOT IN TRIAL REVEALED

Star 12/8/31

Judge Wilkerson Swaps Venire
After He Learns Ten Had Been
Approached by Gang.

By the Associated Press.
CHICAGO, December 8.—An alleged attempt to tamper with justice in the recent income tax trial of Alphonse Capone was revealed last night by Dwight H. Greene, assistant United States district attorney, who said the plan was frustrated by Federal Judge James H. Wilkerson.

Addressing the Air Corps Officers' Association, Greene said that the prosecutors had learned that Capone agents had obtained the names and addresses of 100 veniremen called for Judge Wilkerson's court and had already approached 10 of them.

"At the last moment," he said, "Judge Wilkerson sent his whole venire to Judge Barnes and Judge Barnes sent his to Judge Wilkerson. Thus we got a venire that the Capone agents knew nothing about."

The prosecutor added that the pistol brought into court by Capone's friend, Philip d'Andrea, was carried for a definite and serious purpose.

"It was a death threat for a certain witness to make sure his memory would be defective on the stand," he said.

Capone was convicted and sentenced to 11 years. D'Andrea was sentenced to jail for six months for carrying the weapon.



Washington Star 12/8/31

NOT RECORDED
69-180

mm

JOHN EDGAR HOOVER
DIRECTOR

VWH:DSS

U. S. Department of Justice
Bureau of Investigation
Washington, D. C.

December 16, 1931.



MEMORANDUM FOR THE DIRECTOR.

69-180

On the 15th. instant Special Agent in Charge McSwain called on the telephone and advised that a conference was then in progress in the Bureau of Investigation between Assistant United States Attorneys and the Warden of the jail at Chicago relative to the reported privileges granted to Al Capone; that the office of the United States Attorney, after considering the facts in the case had decided that if the allegation proved to be true the same would constitute a Contempt of Court punishable in the Federal Court and that he, Mr. McSwain, anticipated that he would probably receive a request at the conclusion of the conference to conduct an investigation by interviewing the Deputy Wardens and employees about the jail. Agent in Charge McSwain was advised that in the event he did receive such a request from the United States Attorney he would be authorized to proceed with such an investigation.

Very truly yours,

V. W. Hughes
V. W. Hughes.

RECORDED

DEC 17 1931

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| BUREAU OF INVESTIGATION | |
| DEC 17 AM | |
| DEPARTMENT OF JUSTICE | |
| 101000 | FILE |

U.S. Department of Justice

Bureau of Investigation

P. O. Box 1405,
Chicago, Ill.



DEC 10 1931 AM

December 7, 1931.

69-180

Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Re: Alphonse Capone;
Kenneth Phillips, M.D.;
Contempt of Court;
Perjury.

Dear Sir:

With reference to the above entitled case, please be advised that the United States Circuit Court of Appeals has rendered no decision on the appeal of Subject Capone from the sentence imposed by United States District Judge James H. Wilkerson on March 2, 1931, at Chicago, Illinois.

Pending the decision of the Circuit Court of Appeals on the appeal of Subject Capone, no action will be taken by the United States Attorney regarding the prosecution of Subject Phillips.

Very truly yours,

W. A. McSwain,
Special Agent in Charge.

WAM:RMB
#69-19



DEC 10 1931 AM

RECORDED
DEC 11 1931

69-180-93
BUREAU OF INVESTIGATION
DEC 11 1931
WAM
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Form No. 1

THIS CASE ORIGINATED AT

Chicago, Illinois

FILE NO.

62-14731-9131

| | | | |
|--|---------------------------------|--|---|
| REPORT MADE AT: Chicago, Illinois | DATE WHEN MADE: Dec 17, 1931 | PERIOD FOR WHICH MADE: Dec. 14-17, 1931 | REPORT MADE BY: H. A. McSwain |
| TITLE: DAVID T. MONEYPENNY, Superintendent; GEORGE GIBSON, Assistant Superintendent; COOK COUNTY JAIL | | | CHARACTER OF CASE: Contempt of Court |

RECEIVED



Informants allege undue liberties and special privileges being granted Alphonse Capone, Federal prisoner incarcerated in the Cook County Jail. Interrogation of Subjects, other officials of institution, and prisoners unproductive of evidence to substantiate allegations.

DEC 21 1931

DETAILS:

AT CHICAGO, ILLINOIS.

This investigation is predicated upon a request from Honorable George E. Q. Johnson, United States Attorney, Chicago, Illinois, and a telegram received by Honorable James H. Wilkerson, United States District Judge, Chicago, Illinois, from an anonymous source, which telegram was handed to Agent by Judge Wilkerson for appropriate attention.

DETAILS:

On December 14, 1931, a conference was had in the office of the United States Attorney, Chicago, Illinois, at which time there were present Mr. Johnson, United States Marshal H. C. W. Laubenheimer, Mr. William Froelich, Special Assistant to the Attorney General, Mr. Dwight Green, Assistant United States Attorney, Mr. Arthur P. Madden, Special Agent in Charge, Intelligence Unit, Treasury Department, and this Agent. Mr. Johnson advised that he had received a telegram from an anonymous source, alleging

APPROVED AND
FORWARDED:

[Signature]

SPECIAL AGENT
IN CHARGE

69-180-95

RECORDED AND INDEXED:

DEC 19 1931

COPIES OF THIS REPORT FURNISHED TO:

- 2 - Bureau
- 1 - U.S. Atty. Chicago
- 1 - U.S. District Judge Wilkerson
- 1 - Chicago

BUREAU OF INVESTIGATION

DEC 19 1931 A.M.

DEPARTMENT OF JUSTICE

ROUTED TO:
NATHAN
DW. T. [Signature]

CHECKED OFF:

JACKETED:

-5-

that Alphonse Capone, a federal prisoner now incarcerated in the Cook County Jail, is receiving special privileges and undue liberties. This telegram is identical to telegrams received by Judge Wilkerson and Mr. David T. Moneypenny, Superintendent of the Cook County Jail. In addition, information has been received by Mr. Madden, as well as Mr. Johnson, from informants concerning special privileges extended to Alphonse Capone. A resume of the information at hand and which was discussed at the above conference is as follows:

"Information has been received from time to time to the effect that Al Capone, since he has been confined in the Cook County Jail, has been receiving many privileges not accorded to ordinary prisoners. In the first place, it is said that he has been assigned to commodious quarters in the jail hospital, and that Philip D'Andrea and Three-Fingered Jack White, who are also incarcerated in the jail, and who occupy quarters removed from Capone, are very frequently permitted to visit Capone in the hospital quarters, and stay with him as long as they see fit.

It is said that Capone is allowed to receive visitors, sometimes in large numbers, at almost any hour of the day or night, regardless of the regularly established rules for visiting. Among those who are said to have visited Capone with greater or less frequency, and often at irregular hours, are Jack Guzik, Mrs. Jack Guzik, Jack Guzik's son, Frank Rio, Paul Villa, Lefty Louie (Little New York), Hymie Levine, Red Barker, Dan Serritella, Harry Hochstein, Miller the bondsman, Alderman Prigano, John Patton, Congressman Grenata, an Italian alderman whose name is not definitely known, another Italian said to be a sanitary district Trustee, Porky Dillon, Murray Humphries, Joe Fusco, George Howlett, Bon-Bon Allegretti, John Torrio, Marion (Al's girl friend), Sam Hare, Rocco DeGrezza, Ed Strong, and others.

It is said that on Thanksgiving Day, Capone was permitted to have a dinner in the jail, at which time he had twenty or more guests. It is said that the dinner was prepared by a caterer or by some catering company, and was thereafter brought into the jail.

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It is stated that on Monday, December 7, 1931, Capone received some twenty or twenty-two Italians and others from Buffalo, New York, and elsewhere in the East.

It is said that Capone has been permitted to keep a supply of whiskey in the jail, which he serves to his guests.

It is alleged that Bon-Bon Allegretti on occasions has escorted a number of women to Capone's quarters in the jail and that on at least one occasion, these women put on an obscene performance for the entertainment of Capone's guests.

It is said that Capone's woman, Marion, has been permitted to visit him in his quarters in the jail on numerous occasions.

It is said that Capone has access to a telephone in the jail, and that opportunity has otherwise been afforded to him to conduct his illegal operations while incarcerated in the institution. It is stated that his liquor business has been continued from the jail, largely through Hymie Levine, Jack Guzik, and Frank Rio.

It is alleged that Red Barker, the Labor racketeer, is a frequent visitor to Capone, and that together they have been planning various illegal Labor activities.

It is stated that since Capone has been in the Cook County Jail, his meals have been prepared and sent in by his regular chef, and that Superintendent Money Penny has frequently been a guest of Capone at meals which have been thus prepared and sent in.

It is stated that Capone directly or through his representatives has distributed large amounts of money to jail employees, particularly to Superintendent Money Penny and a man named Gibson, who is said to be one of Money Penny's assistants.

It is stated that some time within the past two or three weeks, Superintendent Money Penny, with some other man, had business in Springfield, Illinois, in connection with the case of Frank Bell, who is under sentence of execution on a murder charge. It is stated that Money Penny and his associate took women with them to Springfield, Illinois, or met women at Springfield, and that Capone or his representatives furnished a substantial quantity of liquor to be used in some form of a celebration in connection with the trip to Springfield. It is recited that there are several

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hospital patients in the jail who sleep in a dormitory adjoining Capone's quarters, and that Capone has been permitted to conduct himself with respect to these prisoners very much as master and servant.

The following telegram, on December 2, 1931, was sent to Federal Judge Wilkerson, United States Attorney Johnson, and Superintendent Money Penny:

"WISH TO INFORM YOU THAT AL CAPONE IS USING THE COUNTY JAIL FOR HIS LIQUOR BUSINESS AND TRANSACTS FROM THERE POSSIBLY AS MUCH IF NOT MORE THAN HE USED TO AT HIS OLD HEADQUARTERS AT THE LEXINGTON HOTEL HIS VISITORS SEEM TO BE COMING ALL DAY LONG AS WELL AS IN THE EVENING I AM EMPLOYED AT THIS BRANCH OF SERVICE AND CAN NOT UNDERSTAND WHY EVERY PRIVILEGE IS EXTENDED TO HIM AND NONE TO THE OTHERS PLEASE INVESTIGATE

(SIGNED) A"

Investigation by this office disclosed that the above message was delivered to the Western Union Telegraph Office at 1512 W. Madison Street at 8:28 P.M., December 2, 1931, by a white man who is described as being 5' 9" tall, 35 years of age, and attired in dark clothes. The messages were typed at the time they were brought in and the individual bringing them in laid them on the counter of the office with \$1.25 and told the Western Union employee, Miss A. Kuleta, to send the messages and keep the change."

Mr. William Froelich, Special Assistant to the Attorney General, at the request of Mr. Johnson, rendered an opinion that the irregularities, if true, would constitute contempt of court, notwithstanding that Capone was not actually committed to the Cook County Jail by the Court, and is not serving a sentence. As a matter of information to the Bureau, it will be stated that Capone has been remanded to the custody of the United States Marshal by the Court, pending an appeal to the Circuit Court of Appeals, and the Marshal in turn has placed Capone in the Cook County Jail for safe keeping.

The advisability of initiating an inquiry in connection with this case was discussed at the conference, and Mr. Johnson was of the opinion that

newspaper publicity would in all probability be attendant to an inquiry of this nature, and thus, in the absence of any information of an evidentiary character, or anything to positively indicate that the allegations were true, he believed a general investigation unwise. Accordingly, he suggested that Superintendent Moneyppenny and the other officials of the institution be openly approached before following the matter further.

Accordingly, Mr. David T. Moneyppenny, Superintendent of the Cook County Jail, was questioned at the Chicago Office of the Bureau on December 15, 1931, by United States Marshal Laubenheimer, Assistant United States Attorney Clawson, Mr. Madden, and Agent. Mr. Moneyppenny stated that Al Capone is confined in the hospital ward, located on the fifth floor of the Cook County Jail; that this hospital can accommodate approximately twelve prisoners, but that the average number of inmates of the hospital since the incarceration of Capone therein has been four; that Capone was placed in the hospital ward rather than in a regular cell block because a man of his character would undoubtedly cause considerable trouble if placed in a cell block with forty or fifty other prisoners. The charges in question were called to Mr. Moneyppenny's attention, at which time he stated that he had no knowledge of any such privileges being granted Capone or any undue liberties being taken by that individual. He recited that visitors are allowed to see Capone on a pass, which is issued either by himself or one of the Assistant Superintendents; that these passes are a matter of record for the past thirty days, but passes issued prior to that time are not available, inasmuch as when they become a month old, they are destroyed. He recited that visitors seeing Al Capone must talk to the latter through the wire mesh, and none other than his attorneys and possibly Capone's mother and sisters are permitted to actually enter the hospital and talk to Capone other than through the wire mesh. He denied that D'Andrea or Three Fingered Jack White were permitted to visit with Capone or that Capone kept whiskey in his cell. Likewise, Mr. Moneyppenny denied any knowledge of any women visiting Capone's quarters other than Capone's mother and sisters. The various allegations previously mentioned were all denied by Mr. Moneyppenny, and he stated that if such conditions were existing, that it was without his knowledge, and certainly without his consent. Mr. Moneyppenny did state that food is sent in twice a day from the outside for Capone, but that this is not an unusual practice, as all prisoners are permitted to receive food from the outside. Mr. Moneyppenny was of the opinion that this food was being sent in by Capone's mother, but was unable to advise authoritatively.

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Mr. Moneypenny stated that there is a telephone in the hospital quarters but that this is a local phone and no prisoners are permitted to use this telephone for making calls outside of the prison. With regard to the allegations concerning money, Mr. Moneypenny recited that when Capone came to the institution, he had \$500 which was deposited with the Chief Clerk, and no additional deposits have been made by Capone since that time. Mr. Moneypenny was unable to give detailed information regarding the withdrawal of this money, but stated that same is a matter of record and is available. Mr. Moneypenny denied that he had received any money from Capone, or had eaten meals with him in the institution. Mr. Moneypenny offered his cooperation in the investigation, and agreed to have the other Assistant Superintendents and such persons as were deemed necessary, call at the Chicago Office for interview. This procedure of having the officials come to the Chicago Office, rather than be interviewed at the County Jail, was deemed advisable by Assistant United States Attorney Clawson, in order to preclude the possibility of newspaper publicity.

While Mr. Moneypenny was in the Chicago office, Assistant Superintendent George Gibson of the Cook County Jail was called in and questioned. He corroborated the statements of Mr. Moneypenny concerning the reason for placing Capone in the hospital ward, and stated that to his knowledge no such privileges have been extended to Capone or undue liberties granted him. Mr. Gibson related that except on visitors day, which is once a week, all persons visiting Capone must have a pass, which pass is either issued by Mr. Moneypenny, himself, Gibson, or one of the other Assistant Superintendents. Mr. Gibson was confronted with all of the allegations hereinbefore mentioned, and denied any knowledge of same. Upon questioning he admitted that some time ago Superintendent Moneypenny had received certain anonymous communications concerning privileges being granted Capone, and that at Mr. Moneypenny's instance, he made a personal investigation, but found no evidence to substantiate the allegations.

While Mr. Moneypenny and Mr. Gibson were in the Chicago office, arrangements were made to have John O. Baster, an inmate of the hospital ward, brought to the Chicago office for questioning.

John O. Baster, inmate of the Cook County Jail, under sentence of one to fourteen years for forgery, was interviewed, and stated that he has been in the Cook County Jail since March, 1931; that he is designated as the attendant of the hospital ward, and is charged with the duty of cleaning the hospital ward and caring for the sick patients confined therein. He drew

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a diagram of the hospital, which is attached hereto and marked Exhibit 1 which shows the bed occupied by Capone. It will be noted from this Exhibit that the hospital consists of one large room capable of holding twelve beds, and one ante-room which contains one bed. Baster stated that Capone sleeps in the large room and that the bed in the ante-room is used by any patient who has a contagious disease. He recited that the door connecting the main room of the hospital and the ante-room is never locked and that all prisoners in the hospital room have absolute access to both of these rooms; that visitors being brought to the hospital room sit on the outside of the wire mesh in the ante-room and the inmates sit on the inside of the wire mesh in the ante-room of the hospital ward. He states that Capone has an average of three or four visitors daily but that these visitors always talk to Capone through the wire mesh and are never permitted to enter the hospital ward itself; that the only visitors to see Capone whom he knows are Capone's mother, sisters, and one brother. He does not know their names, but states that Capone pointed them out as his relatives. Baster states that all of the prisoners eat together on one table in the large room in the hospital, and that Capone, who is a very light eater, sits at this table with them. Baster recited that Capone has two meals sent in each day, one at noon, and one at night; that Capone usually eats these meals in the large room with the other inmates of the hospital and shares his food with them at times. Baster claimed he did not know who prepared this food, but assumed that it was Capone's mother. He also recited that on occasions he has seen Capone's lawyers and Capone's mother inside the wire mesh in the ante-room, but has never seen any other visitors there. He denied that he had ever seen any whiskey in the hospital quarters in the possession of Capone or any of the other inmates, and that likewise, no women had ever visited there and put on an obscene performance. He likewise stated that no women prisoners or other women have been permitted in the hospital to see Capone or anyone else.

Concerning the allegation regarding the Thanksgiving dinner Baster recited that the noon Thanksgiving meal was eaten in the main room of the hospital by all of the prisoners, and that Capone was at this meal with them. According to Baster's recollection, there were present at this meal Capone, Prisoner Novak, Prisoner Keenan, a colored prisoner whose name he does not know, and himself. He stated that Capone had food brought in for the evening meal on Thanksgiving Day, but would not be specific as to whether this meal was eaten by Capone in the ante-room or in the main room with the other prisoners.

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He denied seeing any other prisoners eating Thanksgiving dinner with Capone in the ante-chamber, and scouted the idea. The various other allegations mentioned above were gone into with Baster, but he denied knowledge of any of them, and positively stated that Capone is receiving no privileges or liberties not granted to other prisoners. He stated that the hospital is not commodiously equipped and that the ante-room is not used by Capone exclusively, but is used by all the inmates of the hospital. When questioned concerning the door connecting the ante-room and the main room of the hospital, he stated that this door is usually open, but could not advise as to whether it is possible for same to be locked. He was rather hazy and vague on questions concerning the possibility of Capone locking the door connecting the ante-room and the main room and indulging in liberties in the ante-room. Baster stated that to his knowledge, neither Philip D'Andrea nor Three Fingered Jack White, who are inmates of the Cook County Jail, had ever been permitted to visit Capone in the hospital ward. He states that Capone plays cards with the other prisoners, reads, and does his share of the work; that Capone does not assume the attitude of master over the other prisoners. Baster denied that he had ever received any money from Capone, or was aware that Capone is distributing any money to prisoners or officials of the institution.

Edward C. Nittell, Assistant Superintendent, Cook County Jail, residence 1647 Burling Street, Chicago, Illinois, advises that he works at the institution from 7:45 A.M. to 3:45 P.M. and has been on this shift since the first of October; that one of his duties is to circulate throughout the jail every morning and take requests from the prisoners for special passes; that Capone usually asks for two or three a day and that sometimes these are granted and sometimes not; that he is not acquainted with any of the visitors that come to see Capone other than Capone's mother and sisters and brother; that Capone's mother usually comes once a day and Capone's sisters, three times a week; that he has never seen any other women come to visit Capone, and that the length of the visit of Capone's mother and immediate relatives is usually from ten to forty-five minutes; that while on duty he has never allowed but one individual to see Capone without a pass, and that was Capone's brother. Mr. Nittell states that he was on duty on Thanksgiving Day, and during the noon hour visited the hospital and found Capone and the three other inmates of the hospital having dinner in the large room of the ward; that there were no visitors present, and likewise no whiskey being consumed. He states that he has never eaten with Capone, and to his knowledge, no visitors have ever taken meals with him. With regard

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to visitors being allowed in the quarters with Capone, he states that this has never happened to his knowledge, and that all of the visitors with the exception of Capone's mother and lawyers are required to remain on the outside of the hospital ward and talk through the wire mesh. Capone's lawyers and his mother are occasionally permitted to enter the hospital ante-room and talk personally with Capone, but this is done only when an official of the institution or a guard is present. He states that he himself on one occasion has taken Capone's mother up and allowed her to talk to Capone in the ante-room, but that he was present all the while and took her out of the institution upon the conclusion of the visit, which was approximately thirty minutes. He states that the largest number of visitors he has ever seen Capone have at one time were three, the names of whom he does not recall, but whom he believes to have been Italians.

Mr. Mittell generally denied all of the allegations hereinbefore mentioned, and positively stated that to his knowledge no such privileges or undue liberties were being granted to Capone.

Mr. Edward J. McDonald, Assistant Superintendent, Cook County Jail, residence 1904 George Street, Chicago, Illinois, states that he has been at the Cook County Jail for three years, and at the present time is working from 4 P.M. until 12 P.M. He stated that during this period he circulates through the jail and visits the hospital ward; that no visitors are ever allowed at the institution after 4 P.M. and that the lights of the institution are cut off at 9 P.M. With regard to the hospital, he states that the lights are cut off at 10 P.M., but that by reason of the arrangement, it is possible for the inmates of the hospital to cut on the lights after the guard has gone. Mr. McDonald denies that any large number of visitors had ever been to see Capone, and states that to his knowledge the usual average of visitors to see Capone is approximately three or four per day, although he has no positive knowledge concerning this as he does not report to duty until 4 P.M., at which time all visiting hours are over; that on one occasion since Capone has been in the institution, the latter's mother called at the jail after 4 P.M., and not having a pass, the doorman notified him, McDonald; that he made an exception and took Mrs. Capone up to see her son and remained with her there for a few minutes, but that this is the only occasion he has ever permitted any visitor to see Capone after 4 P.M.; that Capone usually has his dinner sent in each evening, and that this is taken up to the hospital by some guard at the institution; that he does not know who prepares these meals or who sends them in, but that this is a usual custom for

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prisoners to have meals brought in from the outside. He denied specifically the various allegations contained herein and stated that to his knowledge no special privileges have ever been granted Capone and no undue liberties taken by that individual. With regard to Red Barker, he stated that this party called at the jail one evening about 7 P.M. but that he refused to permit him to see Capone. McDonald denies that any liquor is allowed in the hospital ward or that any women have been entertained by Capone.

Herman Jordan, Assistant Superintendent, Cook County Jail, residence 6045 Dorchester Avenue, advised that he has been employed by the Cook County Jail for three years; that his hours are from midnight to 8 A.M.; that he is the only Assistant on duty at this time, and is therefore in complete charge of the institution; that he makes the rounds of the institution about every hour and can positively state that during his shift no visitors whatever have ever been allowed to see Capone or anything irregular has occurred in the hospital ward. He states that he frequently goes to the hospital ward during his shift and sees Capone and the other inmates sleep; that Capone sleeps in a bed in the large room of the hospital with the other prisoners, and does not use the ante-room as his exclusive quarters as charged. Mr. Jordan was very positive in his statements that none of the alleged privileges and undue liberties have ever been extended during his shift, namely, from midnight to 8 A.M., or for that matter, during any other time.

Mr. John Dohmann, Relief Assistant Superintendent, Cook County Jail, residence 1463 Rascher Avenue, Chicago, Illinois, was interrogated in the presence of Assistant United States Attorney Clawson, and stated that his hours at the institution vary; that on some days he is on the day shift, while at other times he is on the night shift. He states that he while on duty makes the rounds of the prison and is very familiar with conditions there, and is positive that if any special privileges were being extended to Capone or any undue liberties being exercised by that individual, that he, Dohmann, would be aware of it; that he saw Capone for the first time on December 15, in the morning, at which time while on duty, Assistant Superintendent Gibson handed him a pass and told him to take Capone's mother and sister up to see Capone; that they talked to Capone through the wire mesh, and did not go into the ante-room; that he has never seen any other women there to see Capone other than the above relatives; that he believes the allegation concerning the obscene show is ridiculous, and likewise, he

is positive that Capone has no liquor in the hospital. He states that he has never received any complaint from any of the other prisoners concerning such privileges to Capone, and likewise has never been aware of any unusual conditions existing. He states that he is positive that if such conditions were existing, even though while he were not on duty, that he would receive some information concerning them. Dohmann is of German extraction, and was very frank in his answers and created quite a good impression.

Mr. Joseph Novak, Officer, Cook County Jail, residence 2224 Melrose Avenue, Chicago, Illinois, was interrogated. He advised that he has been an officer of the institution for 2½ years, and works from 7:50 A.M. to 3:50 P.M. According to Novak, while on duty he has charge of the fourth and fifth floors, known as the C and D blocks. This includes the hospital ward, and accordingly, Novak has supervision over this part of the institution. He states that the largest number of inmates that have been in the hospital ward since Capone has been incarcerated therein has been four, and that at the present time the inmates at the hospital are Baster, prisoner Novak, and Capone; that these prisoners all live in the large room of the hospital and eat their meals there together. He likewise stated that Capone has two meals sent in each day, but that he does not know by whom. It is his belief that these meals are eaten by Capone in the large room with the other prisoners and the food at times shared with the other prisoners. He states that he has never permitted any persons to see Capone after visiting hours and has never allowed any person to see Capone even during visiting hours without the regulation pass except on visitors day, when no passes are required. The various allegations mentioned herein were fully discussed with Officer Novak and he denied that any of same are existing at the present time, or have existed while Capone has been incarcerated in the institution. He states that Capone has never given him any money or offered him any, and that he himself has never extended any special privileges to Capone.

William A. Daley, Guard, Cook County Jail, residence 5808 S. Sacramento Avenue, Chicago, Illinois, was interviewed and states that he has been employed as a Guard for about 20 months, and that his hours are from 7:45 A.M. to 3:45 P.M. Daley states that he has charge of the various prisoners who are termed as Trustees, and who perform the various

jobs in the jail; that twice a week he cleans the hospital ward, and that during the rest of the time the attendant, Baster, is charged with the duty of keeping the hospital clean; that it is Baster's duty to care for the sick inmates and do all the work necessary in the hospital ward; that he has never been in the hospital while visitors were there, and has nothing whatever to do with the admission of visitors to the institution; that he has never seen any women in the hospital or visiting Capone, and has no knowledge of any liquor being consumed there. Mr. Daley was questioned at length but could supply no material information regarding the matter in question.

At the Cook County Jail, Mr. H. C. Pfeuffer, Chief Clerk, was interviewed by Special Agent H. E. Hollis with reference to the disbursements made by Alphonse Capone since his incarceration in the Cook County Jail. In the presence of Agent Hollis, Mr. Pfeuffer examined the records, and his records disclosed that under date of October 26, 1931, Mr. Capone deposited with the Chief Clerk the amount of \$500. On November 4, 1931, on order of Capone, \$100 was delivered by the Chief Clerk to a Mrs. Kavicki, and under date of November 24, 1931, \$100 was given to Mr. James Gabries by the Chief Clerk. Under date of December 8, 1931, the amount of \$200 was disbursed to Mr. J. Russell, so that at the present time there is a balance of \$100 in the account of Alphonse Capone. The purposes for which these disbursements were made are not reflected on the records.

Mr. Joseph Keller, Law Clerk at the Cook County Jail, was interviewed by Special Agent H. E. Hollis with reference to the passes issued to visitors calling to see Mr. Capone. Mr. Keller advised Agent Hollis that the method in providing passes is as follows: The Assistant Superintendent of the institution calls on each prisoner daily and requests him to furnish the names of persons who will visit the prisoner during the following day. This list is then sent to the Superintendent's office and the passes made out by a minor administrative official. When the visitors call at the Cook County Jail, it is determined whether a pass has been issued for that particular individual, and if so, he is admitted to see the prisoner. Mr. Keller was requested by Agent Hollis to produce the passes as to the visitors calling to see Mr. Capone since his incarceration in the Cook County Jail. Mr. Keller stated that all of the passes had not been retained, and that the only passes in his possession at the present time are those passes issued since November 23, 1931, the balance having been destroyed. Mr. Keller further stated that there was no definite rule at the institution as to the period of time

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these passes shall be retained. An examination of the passes issued for visitors to see Capone since November 23, 1931, was made, and it appears that seventeen passes were issued. These passes do not reflect the name of the visitor, but carry the designation as either "wife", "mother", "cousin", "brother", or "friend". In some instances, the passes provide for two cousins, other instances, two friends, and likewise, - so that more than one individual was admitted to see Capone on one pass.

These passes reflect the following visitors:

| | |
|-------------------|------------------------------|
| November 23, 1931 | 1 cousin. |
| " 24 | Wife. |
| " 27 | 1 friend. |
| " 27 | Mr. Hocksteip. |
| " 28 | 2 cousins. |
| " 30 | Mrs. A. Capone. |
| Dec. 2 | 2 friends. |
| " 6 | Brother. |
| " 6 | Mrs. A. Capone and friend. |
| " 7 | Wife. |
| " 8 | Brother and one. |
| " 9 | 3 cousins. |
| " 11 | Mrs. Capone, Mother and two. |
| " 12 | Wife. |
| " 14 | Brother and sister. |
| " 15 | 2 friends. |
| " 15 | Mother and sister. |

These passes all bear the initials J. K., indicating that Mr. Keller, the law clerk, approved all of same. Mr. Keller informed Agent Hollis that he was unable to make any statement as to the identity of any of the individuals visiting Capone, on the passes in question. He further stated that the passes on which the name of Mrs. Capone or other relatives appeared, he was not positive that the persons visiting Capone were actually the ones named in the passes. The only persons confined in the hospital ward on the fifth floor of the Cook County Jail at the present time are Al Capone, Walter Novak, and John O. Baster.

Mr. Walter Novak, inmate of the hospital ward, upon interview by Special Agent H. E. Hollis, stated that he was presently under a life sentence, and that he would make no statement of any nature to this Agent, and refused to discuss the instant matter in any manner.

Agent Hollis visited the hospital ward and ascertained that the arrangement of same is in accord with the diagram alluded to above and marked as Exhibit A. At the time of this visit on the part of Agent Hollis, he observed nothing in the hospital ward other than the regulation prison equipment consisting of beds, tables, and chairs. The bed occupied by Capone is in the large room of the hospital ward and is no different from the beds used by the other prisoners. In addition, Mr. Hollis states that from his examination, there does not appear to be any luxuries or special accommodations provided for this prisoner other than those enjoyed by all of the inmates of the hospital.

The above facts were discussed with United States Attorney Johnson and likewise there was discussed the advisability of subpoenaing before a Federal Grand Jury the persons mentioned in this report, as well as those individuals who are not inmates of the institution but who are alleged to have visited Capone. Mr. Johnson was of the opinion that an inquiry of this character would naturally result in considerable newspaper publicity, and in view of the facts to date, he did not believe such action warranted, and that further inquiry would be unnecessary at this time. In addition, Mr. Johnson informed Agent that arrangements had been effected with Mr. Money Penny to the effect that henceforth, no persons shall be allowed to visit Alphonse Capone in the Cook County Jail without a pass from the United States Marshal.

U. S. Department of Justice
Bureau of Investigation

HOSPITAL WARD
5TH FLOOR

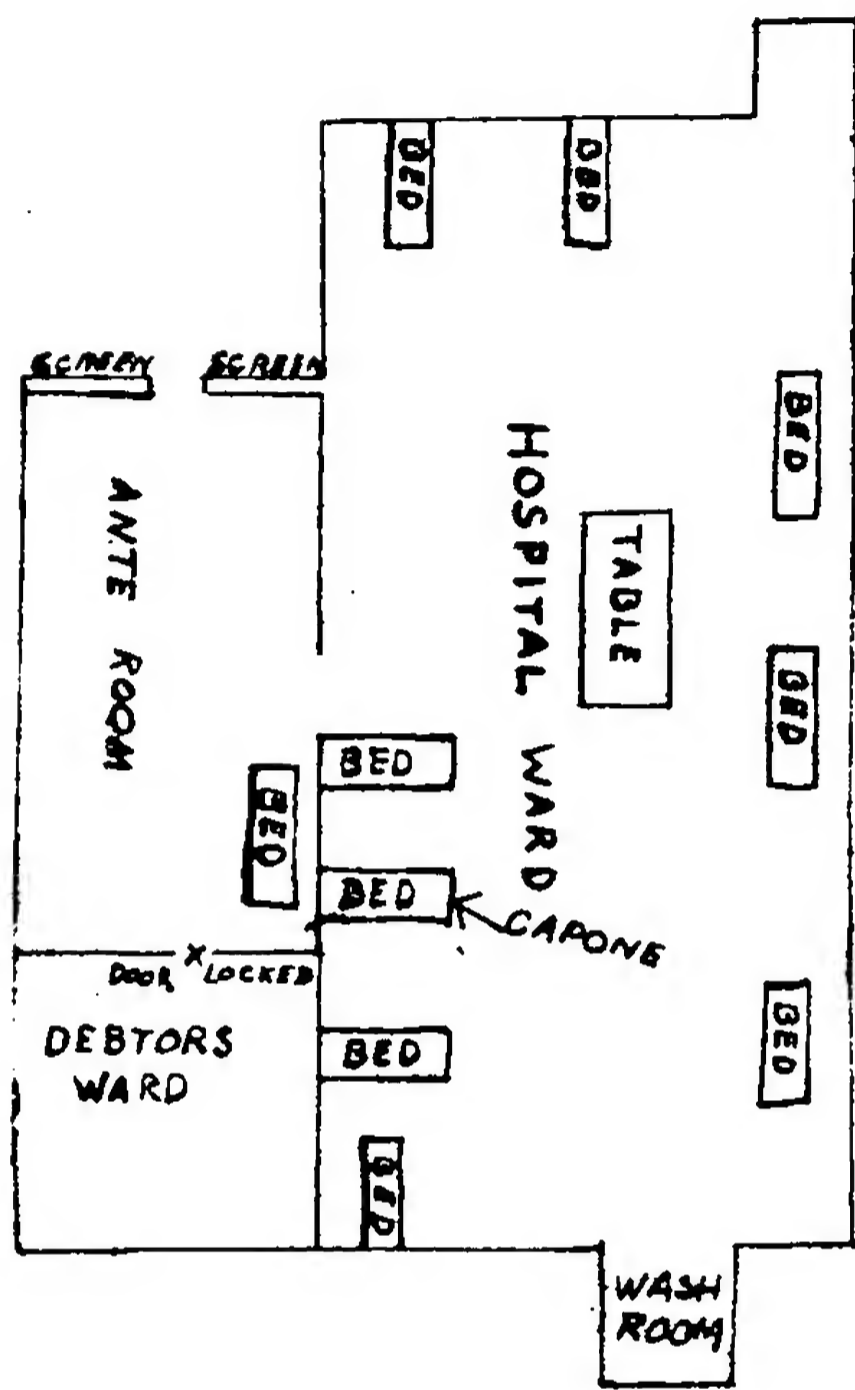
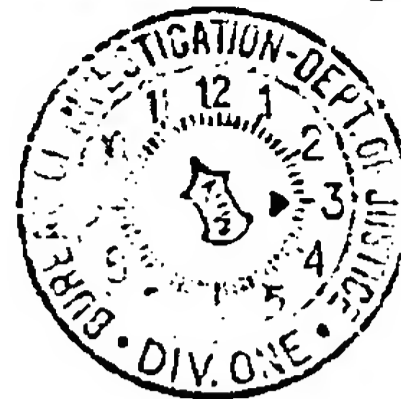


Exhibit I
copy of exhibit
to Paul
see 12-3-31
for transcript

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69-180-95

U. S. Department of Justice
Bureau of Investigation
P. O. Box 1405
Chicago, Illinois



December 18, 1931,

DEC 22 1931 PM

Director
Bureau of Investigation
Department of Justice
Washington, D. C.

69-180

Dear Sir:

With reference to the investigation conducted by this office concerning alleged undue liberties granted Al^o Capone, who is now incarcerated in the Cook County Jail, there are attached hereto as of possible interest newspaper clippings taken from Chicago papers.

Very truly yours,

W. A. McSWAIN
Special Agent in Charge

WAM:AB
3 Enclosures

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9
11
W

DEC 23 1931 PM



RECORDED
&
INDEXED

DEC 21 1931

69-180-96
BUREAU OF INVESTIGATION
DEC 21 1931 P.M.
DEPARTMENT OF JUSTICE
Div. One
NATHAN
Div. Three
Div. Two
FILE

24

U. S. Opens Inquiry Into Capone Gang Rule From County Jail Cell

Racket World Operating
on Schedule Under Mys-
terious System

MARSHAL CLAMPS LID

A searching inquiry into the racket world being accorded "Scarface Al" Capone in the county jail has been ordered from Washington, it was learned today, in reports reaching there that Capone had been receiving telephone, telegraph and secretarial service to enable him to carry on his rackets by remote control.

Agents of the intelligence wing of the internal revenue department, men who built the income tax case which brought on Alvin Karpis and Alvin Karpis, have been ordered to work for several days to determine whether Capone has been receiving the "just like home" treatment once given Harry Dugan and Frankie Lake while in the old stockade.

United States Marshal E. C. Laubenhahn, on learning that an inquiry was on foot, sent a messenger to Sheriff William D. McQuinn and Warden David McQuinn, ordering that he refuse to allow to see Capone except his wife, sister and attorney, unless they first received a pass from the marshal's office.

The marshals plan to have a search of the prison grounds by the United States District Attorney, Frank J. O'Connell, who used to prosecute the Capone racket in the past.

69-180-96

Operating on Capone's Order.
Despite the fact that Depone is a
blind fee bar, the Capone syndicate
partisans in sports, according to the
hoodlum world, rather than
from Capone. How these orders
reaching the outside world is a
question the government would
have answered.

The government's last charge
Capone recalls the Druggan-Lake
permitted stay in the county
Peter Hoffman, local sheriff, went
to jail on a contempt of court
charge as a result of evidence
showed that Druggan and Lake
using the county jail as a
which they slept two or three
a week.

And just a few days ago
John Paruca of Grundy county
sentenced to ninety days in
contempt of court because he
"Roadhouse Tery" March, a
ally, too much liberty while
in the Grundy county jail
here for their violation of

2 CENTS
CITY AND SUBURBS
5 CENTS OUTSIDE

DAILY NEWS TRIBUNE

CHICAGO'S PICTURE NEWSPAPER

Vol. 2. No. 88

Full Associated Press Service

CHICAGO, THURSDAY, DECEMBER 14, 1934

AL CAPONE RULE

CHARGE CAPONE RULES FROM JAIL; U. S. PROBES

Investigation of the treatment accorded Alphonse Capone at the county jail was ordered today by officials of the department of justice at Washington following reports that Al still is operating his enterprises.

U. S. Marshal W. C. Laubenheimer some time ago ordered that no one be admitted to the gang chief's cell without a special pass from him, except Al's wife, child, mother and attorneys. Since then, Laubenheimer said, he had been besieged for requests for passes by politicians who, he fears, turn the papers over to Capone henchmen.

Agents of the special intelligence unit were ordered to conduct a quiet investigation into reports of Capone's continuing influence and especially to determine whether he has been per-

mitted to use a telephone, send out telegrams, employ a secretary and hold conferences with members of his board of directors, Murray Humphreys, Frank Rio, Ted Newberry, Frank Diamond, Rocco De Grande and Jack Gusik.

Sheriff John Paruck of Morris, Ill., several days ago was sentenced to serve 90 days in jail for special favors granted to Tony Rensch, former mayor of Stickney, while he was a prisoner in the Grundy county jail.

The investigation into Capone's influence also recalled the contempt sentence imposed on Sheriff Peter Hoffman several years ago for permitting Terry Druggan and Frank Lake to use the county jail as a mailing address while they were supposedly serving a sentence.

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69-180-96

CAPONE RUNS UNDERWORLD FROM CELL, U. S. REVEALS

Gangsters Daily Visitors at
Jail, Tipster Wires Wash-
ington; Al Living in Luxury

MYSTERY CALLS TRACED

Warden and Aids Questioned;
Politicians Linked; Ban on
Passes Ordered by Marshal

(Picture on Back Page.)

Officials of the Department of Justice and officers of the United States District Court here have conducted a searching inquiry into reports that Al Capone has been accorded special privileges in the county jail, it was admitted in Washington last night.

The investigation, it was revealed, began ten days ago when three anonymous telegrams, all worded the same, were received by Federal Judge James H. Wilkerson, United States District Attorney George E. Q. Johnson and Warden David Moneyppenny of the jail.

HOODLUMS 'DAILY VISITORS'

They asserted that Capone was receiving hoodlum henchmen daily as visitors, that he was allowed to make phone calls and send telegrams and, in short, was running his underworld machine from behind the bars.

The order came from the Department of Justice at Washington that the inquiry must be pushed to the limit to determine whether the invisible power of the Capone machine, that flouts the law, is greater than that of the government, which makes that law.

EVASIVE ON PHONE CALLS

Investigators reported last night they "had been unable to substantiate" information that Capone had used telephone and telegraph to direct gang operations. There was no comment, however, on the number and identity of his visitors at the jail at all hours of the day.

Nor was anything said about the "unofficial" report that Capone, in jail or temporarily out, had held conference with his gang intimates at night.

When investigators visited the jail they found Capone confined to a dormitory on the fifth floor, where he has the use of a comfortable hospital cot, a soft mattress, clean linen and a private

Turn to Page 2, Column 2.

CAPONE PASS PLOT NIPPED

Continued From First Page.

shower. Such comforts are not allowed to the ordinary run of prisoners, who must occupy cells in the tiers and find restricted relaxation in the "bull pens."

STREAM OF CARS NIGHTLY.

They discovered that late at night expensive automobiles were parked within the jail shadows. Guarding them were men who had every appearance of hoodlums. The presence of these cars has not yet been explained, and federal investigators would not reveal whether any of the men had been questioned.

It was learned definitely, however, that Warden Moneyppenny, Deputy Warden George Gibson and several guards and prisoners were interrogated to learn the nature of Al's life in jail.

BAN ON VISITORS ORDERED.

When this questioning was over, an order was issued by U. S. Marshal H. C. W. Laubenthal that no one should be allowed to visit Capone without a pass signed by the marshal or his chief deputy, Edward A. King.

Exceptions were made in the cases of Capone's mother, his wife, his son and his lawyers, Albert Fink and Michael J. Ahern.

Even when the pass order was issued, the determination to see Capone persisted, as shown in the flood of requests for these tickets.

POLITICIANS INVOLVED.

Laubenthal said he had been literally besieged with requests for passes by petty politicians who, he

fears, may turn them over to Al's lieutenants. Strengthening this suspicion is the conviction that the better known Capone leaders would hesitate to apply, themselves, for a pass from the marshal.

Ralph Capone Sends Self a Christmas Greeting!

Ralph Capone, who is serving a three-year sentence for income tax evasion at the McNeil Island federal prison at Seattle, is devoting his leisure to the interior decoration of his cell, according to word received from the prison yesterday.

He has festooned the four steel walls of his sleeping quarters with little red balls and with green and white crepe paper. And on the lintel of his cell door he has chalked a greeting to himself: "Merry Christmas!"

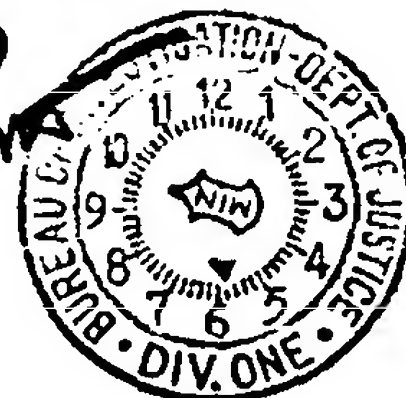
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12-18-31

NEWSPAPER CLIPPINGS

✓ Kansas City Journal-Post

December 18, 1931



DEC 23 1931 PM

OFFICIALS DENY AL CAPONE IS DIRECTING GANG

U. S. Investigation in Jail Finds No Basis for Reports

CHICAGO, Dec. 18.—The federal investigation of Al Capone's sojourn in Cook county jail was ended Friday with announcement that reports the gang chieftain was directing his crime syndicate from behind the bars were unfounded.

The investigation, conducted by United States District Attorney George E. Q. Johnson and United States Marshal H. C. W. Laubenhelmer, revealed that while the "big fellow" was not exactly languishing in a dungeon keep, he assuredly was not carrying on his interests by telephone, telegraph and special messenger, as an anonymous telegram to Johnson had declared.

White-haired Warden David Money Penny, who takes pride in Cook county's "crack proof" jail, indignantly denied charges that Capone received special privileges while awaiting outcome of his appeal from his income tax sentence.

"These charges are a lot of poppycock," Money Penny declared. "Capone's in a cell like any other hoodlum. He's getting no special privileges and I'm not letting anyone see him unless I know who he is and what he wants."

Marshal Laubenhelmer, when informed that Washington officials had directed an inquiry into Capone's jail life, ordered that all visitors except the gangster's wife, child and mother must have a pass from the marshal.

NOT RECORDED

INDEXED

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U. S. Department of Justice
Bureau of Investigation

P. O. Box 1405,
Chicago, Ill.

December 19, 1931.

Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

There is attached hereto as of possible
interest a clipping taken from the Chicago Herald
and Examiner, Chicago, Illinois, under date of December
19, 1931, relative to the recent investigation concerning
alleged liberties granted Al Capone, an inmate of the
Cook County Jail.

Very truly yours,

W. A. McSwain

W. A. McSwain,
Special Agent in Charge.

WAM:RMB

RECORDED
&
INDEXED

DEC 21 1931

69-180-97

| | |
|-----------------------------|---------|
| BUREAU OF INVESTIGATION | |
| DEC 21 1931 P.M. | |
| U. S. DEPARTMENT OF JUSTICE | |
| SEARCHED | INDEXED |
| SERIALIZED | FILED |

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APER CLIPPINGS

BAR MYSTERY PAIR ON FINAL VISIT TO CAPONE

U. S. Blocks Al's Last Contact
With Gang; One Arrival
Hides Name; 'Weiss' Felled

Two mysterious applications for passes to see Al Capone at the county jail dormitory, where he has been living in comparative luxury, were rejected yesterday.

The applications were suspected as a final effort by the gang leader to communicate with his underlings before his contacts with the outer world are stopped entirely by the federal policy of vigilance.

MARSHAL ENFORCES BAN.

The order that no one may see Capone unless he has a pass signed by United States Marshal H. C. W. Laubenhelmer or his chief deputy, Edward A. King, was issued after investigation of reports that hoodlum henchmen were visiting Al at the jail at all hours.

Al's wife, mother, son and lawyers are exempt from this ruling.

One of yesterday's applicants was a man who said his name was "Weiss," that he was going to California and that he wanted to bid his old friend, Al, adieu.

The request was referred to Assistant District Attorney Samuel G. Clawson, who has been investigating the Capone liberties.

CLAWSON BLOCKS VISIT.

Mr. Clawson decided the California trip could be made without Weiss saying farewell.

The other pass applicant gave no name but said he had talked to Marshal Laubenhelmer and that the latter told him it would be "O. K."

When asked when and where he talked to Laubenhelmer, the man gave an answer that Mr. King knew was impossible and he sent the man away.

Warden David Money Penny of the County Jail explained why Capone had been assigned to the dormitory room, with its hospital bed, soft mattress, clean linen and private shower bath, instead of a cell in a tier with ordinary inmates.

"I didn't want him mingling with the other prisoners," he said, "because I was afraid he'd have a bad influence on them."

Chicago Herald &
Examiner
12/19/31

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Jan 3

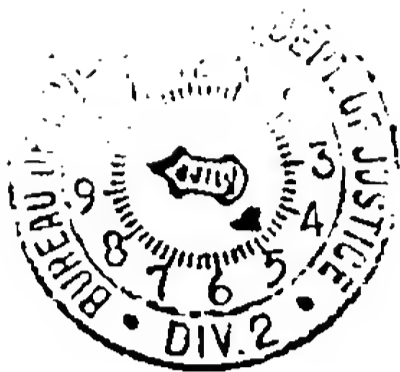
U. S. Department of Justice
Bureau of Investigation

P. O. Box 1405,
Chicago, Ill.



DEC 22 1931 AM

December 19, 1931.



DEC 22 1931 AM
Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

The Bureau's attention is invited to my report dated December 17, 1931, in connection with the case entitled DAVID T. MONAHAN, SUPERINTENDENT; GEORGE GIBSON, ASSISTANT SUPERINTENDENT, COOK COUNTY JAIL; CONTEMPT OF COURT, which relates to alleged privileges granted Alphonse Capone, an inmate of the Cook County Jail.

It will be noted that the inquiry in question was conducted in a manner suggested by United States Attorney Johnson, who was very anxious to preclude the possibility of any newspaper publicity. Notwithstanding this fact, the newspapers received information regarding the investigation, copies of which newspaper articles have been forwarded to the Bureau.

Yesterday afternoon I again conferred with Mr. Johnson with a view to determining whether any additional investigation was desired, inasmuch as the inquiry had been made public through the newspapers. Mr. Johnson expressed the opinion that he did not believe additional investigation warranted, and accordingly, no further action need be taken. Notwithstanding this decision of the United States Attorney which was a reiteration of the opinion quoted in the report alluded to above, I am holding this case open for a period of thirty days with a view to reporting any possible developments.

Very truly yours,

W. A. McSwain,
Special Agent in Charge

WAM:REB

RECORDED
69-180-180
BUREAU OF INVESTIGATION
DEC 21 1931 P.M.
U. S. DEPT. OF JUSTICE
FILE

EMB:ECB

December 23, 1931.

69-180-93

69-180-99 RECORDED

DEC 28 1931

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL JOSEPHINE

In the case entitled DAVID T. MONKIPENNY, et al.
COOK COUNTY JAIL, Contempt of Court
there are transmitted herewith copies of the following
reports:

Agent

Office

Date

W. A. McSwain

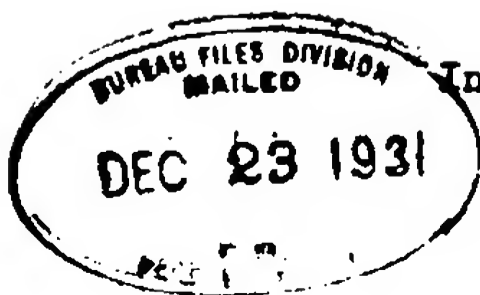
Chicago, Illinois

12-17-31

together with a copy of Exhibit I.

Very truly yours,

Director.



Incl. # 729402

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FROM
ASSISTANT ATTORNEY GENERAL YOUNGQUIST

TO
OFFICIAL INDICATED BELOW BY CHECK MARK

The Attorney General.....
The Solicitor General.....
Assistant to the Attorney General.....
Assistant Attorney General Sisson.....
Assistant Attorney General Richardson.....
Assistant Attorney General Rugg.....
Assistant Attorney General Dodda.....
Assistant Attorney General St. Lewis.....
Mr. Henderson.....
Mr. Key.....
Mr. Kiefer.....
Mr. Morrison.....
Miss Lentner.....
Director of Prohibition.....
Assistant Director of Prohibition.....
Bureau of Prohibition.....
Bureau of Investigation.....
Bureau of Prisons.....
Division of Accounts.....
Mails and Files.....
Supply Division.....
Chief Clerk.....
Appointment Clerk.....
Pardon Attorney.....

Memorandum

may I see it?



DEC 22 1931 AM

*Referred to report
file'd in Div 2 in PM
12-21-31 dictated on
12-22-31 GAB*

RECORDED

DEC 28 1931

69-180-99

BUREAU OF INVESTIGATION

DEC 24 1931 P.M.

DEPARTMENT OF JUSTICE

NATHAN
100. Two

FILE

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COPY

Department of Justice

UNITED STATES ATTORNEY

Northern District of Illinois

826 Federal Building

CHICAGO

December 18, 1931

Hon G. A. Youngquist,
Assistant Attorney General,
Washington, D. C.

My dear Mr. Youngquist:

I am in receipt today of a
copy of a report on the jail matter, and I assume that the
original has been transmitted to the Bureau in Washington,
so that it will be available. If not, kindly let me know and
I will have a copy made and have same forwarded to you.

Yours very sincerely,

(s) George E. Q. Johnson,

United States Attorney.

GEQJ:P

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69-180-99



DEC 30 1931

U. S. Department of Justice
Bureau of Investigation

POST OFFICE BOX 1405
CHICAGO, ILLINOIS.



DEC 29 1931

December 23, 1931.

Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir: In re: DAVID T. MONEYPENNY, et al
CONTEMPT OF COURT

In connection with the above captioned case,
there is being transmitted, as of possible interest
to the Bureau, an article which appeared in the
Chicago Daily Times of December 21, 1931, relating
to a trip made by Warden Moneypenny, Superintendent
of the Cook County Jail, in a Cadillac car supposedly
belonging to Al Capone.

Very truly yours,

E. P. Guinane

E. P. GUINANE, Acting
Special Agent in Charge.

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69-41

Handwritten notes:
69-41
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RECORDED
&
INDEXED

JAN 2 1932

69-180-100
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Handwritten signatures and initials:
JAN 2 1932
JAN 2 1932
JAN 2 1932

DAILY TIMES, CHICAGO, MONDAY, DE

BAREW ARDEN'S CAPITOL TRIP IN AL CAPONE'S MOTOR CAR

"Only Guest"—Moneybags
"I Didn't Know Owner"

Moneybags of the county jail last week made a trip to the capitol in a big Cadillac car belonging to Al Capone, the gangster.

In Lincoln Garage

Here's what the Evening Courier of Lincoln printed on Dec. 16:

"One of Al Capone's 16-cylinder Cadillac automobiles spent several hours in a Lincoln garage last night. At about 6:30 p. m. the Cadillac, man and two women, was towed to the Rhode-Pemberton garage, disabled by valve trouble."

"The car bore license No. 1,278, J.S., for a Cadillac car owned by Mary Capone, 7244 Prairie ave., Chicago. (Also Al's wife.)"

"The man who left the car said he was Warden Moneybags of the Cook county jail. Al Capone is now a federal prisoner in the Cook county jail, awaiting transfer to Leavenworth penitentiary."

Returning from Springfield

"The warden, who evidently has taken over Capone's car pending settlement of Capone's personal affairs, said he was returning to Chicago from Springfield, where he attended a hearing yesterday in the case of Frank Bell, convicted slayer, whose appeal from execution is pending before the Supreme court."

"Three members of the Chicago party here last night went on to the stage by train."

valve trouble.

"The car bore license No. 1,278, 1st, which is listed in the license records for a Cadillac car owned by Mary Capone, 7244 Prairie ave., Chicago. (Mrs. Al's wife.)

"The man who left the car said he was Warden Money Penny of the Cook county jail. Al Capone is now a federal prisoner in the Cook county jail, awaiting transfer to Leavenworth Penitentiary.

Returning from Springfield

"The warden, who evidently has taken over Capone's car pending settlement of Capone's personal affairs, said he was returning to Chicago from Springfield, where he attended a hearing yesterday in the case of Frank Bell, convicted slayer, whose appeal from execution is pending before the Supreme court.

"Three members of the Chicago party here last night went on to Chicago by train, and the remaining six left at 11 o'clock last night after the Capone car had been repaired.

"At the time Capone was arrested on income tax and prohibition charges, it was said he had run through his fortune, had been forced to sell his wife's jewels to raise funds and was behind on payments on his two 16-cylinder Cadillac cars."

Warden Money Penny issued this statement:

"On Monday, Dec. 14, in the company of Allyn, Harold Levy and Edmund Byrne, and Edward Evans, an investigator employed by them, I went to Springfield to appear before the pardon and parole board in behalf of Frank Bell. Evans and the attorneys called for me at my home in a large car. Later on the same day, we were returning when the car stalled at Lincoln, Ill.

Waited for Car

"Levy, Byrne and Evans went back by train and the rest of us waited until the car got fixed. I discussed the Bell matter with several people who were around the garage, telling them who I am. I don't know now, nor did I know then, to whom the car be-

(Continued on page 4, col. 2)

69-180

U. S. Department of Justice
Bureau of Investigation

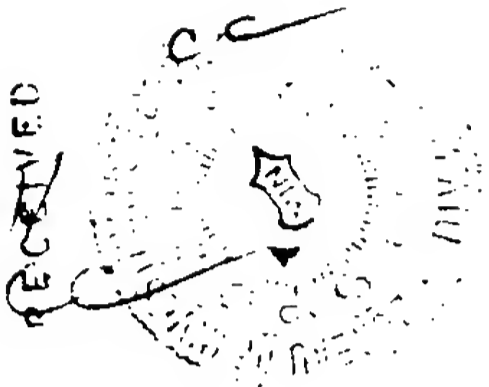
P.O. Box 1405,
Chicago, Illinois.

January 11, 1932.

RECEIVED



RECEIVED



JAN 11 1932 AM

Director,
Bureau of Investigation,
Department of Justice,
Washington, D.C.

Dear Sir:

Attached hereto as of possible interest, is a clipping taken from the Chicago Herald & Examiner, under date of January 8, 1932, concerning the appeal of Alphonso Capone from his conviction for income tax evasion.

Very truly yours,

W. A. McSwain,
Special Agent in Charge.

WAM/cec

NEWSPAPER CLIPPINGS

*1-11-32
msb
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cc
H
Wm.*

RECORDED
&
INDEXED
JAN 16 1932

69-180-101
JAN 11 1932
100-1800
39

CHICAGO HERALD & EXAMINER
JANUARY 8, 1932.

U. S. Court Ready for Capone Appeal

Al Capone's appeal from his conviction and eleven-year sentence for income tax evasion will come before the United States Circuit Court of Appeals at its term beginning Tuesday.

Also on the calendar, made public yesterday, are appeals of Tony ("Mops") Volpe from a deportation order, and of Jack ("Machine Gun") McGurn and his "blond alibi" wife, Louise Rolfe, from Mann act sentences. The government prepared to file its brief today.

69-180-101

40

January 29, 1932.

BY:BCB
69-180-102

RECORDED

1-1932

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL TOWNSEND

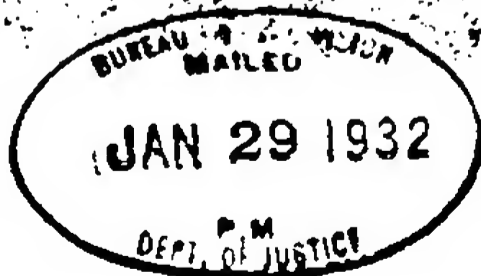
With further reference to my memorandum of December 14, 1931, concerning the alleged illegal activities on the part of Alphonse Capone, while in custody of a United States Marshal at Chicago, there is transmitted herewith, for your information, a copy of the report of Special Agent in Charge W. A. McQuinn, dated at Chicago, Illinois, January 22, 1932.

As will be noted, investigation of this matter has been concluded at the request of the United States Attorney at Chicago.

Very truly yours,

Director.

Incl. 8757899



41

Form No. 1

THIS CASE ORIGINATED AT

Chicago, Illinois

FILE NO.

69-41

| | | | |
|--|----------------------------------|---|---|
| REPORT MADE AT: Chicago, Illinois | DATE WHEN MADE: Jan. 22, 1932 | PERIOD FOR WHICH MADE: Jan. 22, 1932 | REPORT MADE BY: W. A. McSwain |
| TITLE: DAVID T. MONEY PENNY, Superintendent; GEORGE GIBSON, Assistant Superintendent; COOK COUNTY JAIL | | | CHARACTER OF CASE: Contempt of Court |

SYNOPSIS OF FACTS:

No additional developments in connection with this case, and United States Attorney Johnson, Chicago, Ill. advises no additional inquiry desired.

- C -

REFERENCE: Report of this Agent dated Dec. 17, 1931, Chicago, Ill.


DETAILS: AT CHICAGO, ILLINOIS.

DETAILS:

There have been no developments in connection with this case, and under date of January 18, 1932, Agent conferred with the United States Attorney, George E. Q. Johnson, Chicago, Illinois, at which time the latter advised that no additional inquiry in connection with this case is desired at the present time.

- Closed -

DO NOT WRITE IN THESE SPACES

| | | | |
|---|-------------------------|--|-------------------------------------|
| APPROVED AND FORWARDED:  | SPECIAL AGENT IN CHARGE | 69-180-102 | RECORDED AND INDEXED JAN 26 1932 |
| COPIES OF THIS REPORT FURNISHED TO: 3 - Bureau 1 - U.S. Atty. Chicago 2 - Chicago | | BUREAU OF INVESTIGATION JAN 26 1932 A.M. DEPARTMENT OF JUSTICE | CHECKED OFF: JACKETED: |
| ROUTED TO: | | FILE | 42 |

69-180-103

February 1, 1932.

RECORDED

FEB 5 1932

MEMORANDUM

MEMORANDUM FOR THE DIRECTOR, BUREAU OF PRISONS.

I am attaching hereto a copy of a letter received from the Acting Special Agent in Charge of the Chicago, Illinois office, Bureau of Investigation, relative to an allegation that certain undue privileges have been accorded ALPHONSE CAPONE, while incarcerated in the Cook County Jail, Chicago.

I am entirely in accord with the statements made by Acting Special Agent in Charge Purkin to Assistant United States Attorney Clawson and the United States Marshal at Chicago, to the effect that there is no Special Agent of the Bureau of Investigation available for such an assignment, nor is there any necessity for a Special Agent of the Bureau of Investigation being assigned to work with the Deputy Marshals guarding Capone.

A copy of the attached letter has been forwarded to Assistant Attorney General Sisson.

Very truly yours,

Director.

Enclosure #72672.

BUREAU FILES DIVISION
MAILED
FEB 2 1932
P.M.
DEPT. OF JUSTICE

[Handwritten signature]

43

JOHN EDGAR HOOVER
DIRECTOR

U. S. Department of Justice
Bureau of Investigation
Washington, D. C.

P. O. Box 1405,
Chicago, Ill.



January 26, 1932.

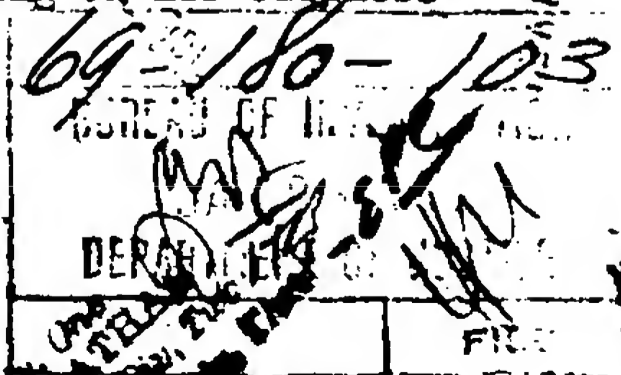
Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

Reference is made to the report of Special Agent in Charge W. A. McSwain, dated December 17, 1931, in connection with the case entitled DAVID T. MONEYPENNY, SUPERINTENDENT, GEORGE J. GIBSON, ASSISTANT SUPERINTENDENT, COCK COUNTY JAIL; CONTINUED OF COURT, concerning possible privileges granted to Alphonse Capone, an inmate of said jail.

Yesterday afternoon I received a telephone call from Mr. Clawson, Assistant United States Attorney, during which he stated that it would be necessary to re-open the inquiry, inasmuch as he had received information to the effect that Capone had been allowed to have visitors other than those who possessed proper passes for such visits. I am informed that only six passes have been granted to persons for the purpose of visiting Capone in the County Jail. These six people are said to be his immediate family and attorneys.

Mr. Clawson and I discussed this matter this morning at his office. He stated that he had very little information so far upon which any definite inquiry might be based. However, Mr. Clawson believed that some inquiry should be made, in order that he might be in a position to request the Attorney General to grant the authorization for the employment of Deputy Marshals to be placed in this Jail as guards, to prevent unauthorized visits with Capone, and further to prevent the latter from carrying on his business from the Jail.



Mr. Clawson suggested that I have a conference with Mr. Money Penny at my office today, at which he intended to be present, together with Mr. Laubheimer, the United States Marshal.

This conference was arranged and held in my office this morning, the same being attended by the four above mentioned parties. Mr. Money Penny expressed surprise at the rumors prevalent, adding that all of his assistants and superintendents were persons in whom he had implicit faith. He added, however, that he realized the possibilities of unauthorized persons visiting Capone in the jail, but that he knew of no way in which the present manner of allowing such visits might be improved, and urgently requested advice and instructions, with emphasis upon the fact that he was extremely desirous of carrying out the wishes of the United States Marshal with regard to this matter.

Various probable solutions to this proposition were discussed, such as the placing of Capone in a cell block instead of the hospital or convalescent ward, a portion of which space he is now occupying. It was thought, however, that none of the matters discussed would solve the problem, except the placing of Deputy Marshals therein as guards to consider the passes and the persons allowed to visit Capone. Mr. Laubheimer stated that he would write to the Attorney General today and request authority for employment of these. In this connection it might be stated that Mr. Laubheimer mentioned that it would be very desirable if we could also place one of our Special Agents to work with the Deputies on the day shift until final disposition is made of this case. Mr. Laubheimer was informed that while I would be very glad to cooperate to any extent possible, I did not believe that the assignment of an Agent to such duty would be possible, due to my limited personnel here at the present time.

It is my impression that four Deputy Marshals, properly selected, would be sufficient to carry out the plan and accomplish the purpose, and that the assignment of an Agent for work of this nature would not be at all necessary. It appears that at the present time no further action should be taken on this matter by this office.

For your information I am enclosing herewith a newspaper item appearing in the Chicago Daily Tribune in this morning's issue. I will keep in close touch with the situation here, and will advise you immediately when any developments take place.

Very truly yours,

M. H. Purvis

M. H. Purvis, Acting
Special Agent in Charge.

MHP:RMB
#89-41

45

~~6-1-36~~

Chicago file #69-41

DAVID T. MONEYPENNY, SUPERINTENDENT;
 GEORGE GIBSON, ASSISTANT SUPERINTENDENT;
 COOK COUNTY JAIL; CONTEMPT OF COURT.

U. S. OPENS QUIZ INTO AL CAPONE'S CALLERS AT JAIL

A report that lieutenants of Al Capone were visiting the gang leader in his county jail cell regularly disguised as "Mr. Smith" or "Mr. Jones" reached the federal building yesterday and an immediate investigation was launched by both District Attorney George E. Q. Johnson and United States Marshal H. C. W. Laubheimer.

When Capone was given into the keeping of Warden Money Penny at the jail on Oct. 24 the warden was told not to allow him any visitors except those who obtained a pass from the marshal's office. This was done to prevent Capone from instructing his henchmen and carrying on his "business" while awaiting the outcome of his appeal from his income tax sentence of eleven years.

Warden Money Penny has followed those instructions faithfully and only six passes have been issued to Capone visitors. But gangland, according to the report, has found an open door by a simple subterfuge. Because of crowded conditions at the jail Warden Money Penny has had to place other prisoners in the "convalescent ward" with Capone. These men received "Mr. Smith" and "Mr. Jones" as their guests, it was reported.

Thus the gang leader is alleged to carry on his "business." Messages were carried to his cell, and messages went back to the underworld.

"I'll put a stop to that if I have to move him," Marshal Laubheimer declared when he learned of the system used to circumvent the government's ruling. "I can understand now why we haven't had a lot of gangster looking fellows coming to my office for passes."

THEFT OF CITY

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100-180-100

JOHN EDGAR HOOVER
DIRECTOR

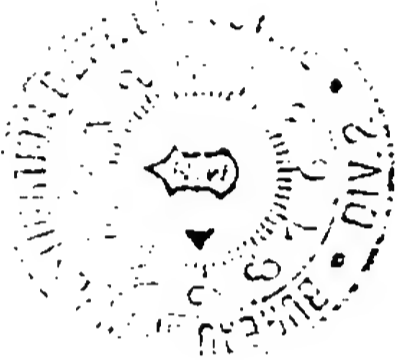
U. S. Department of Justice
Bureau of Investigation
Washington, D. C.

P. O. Box 1405,
Chicago, Ill.

RECEIVED

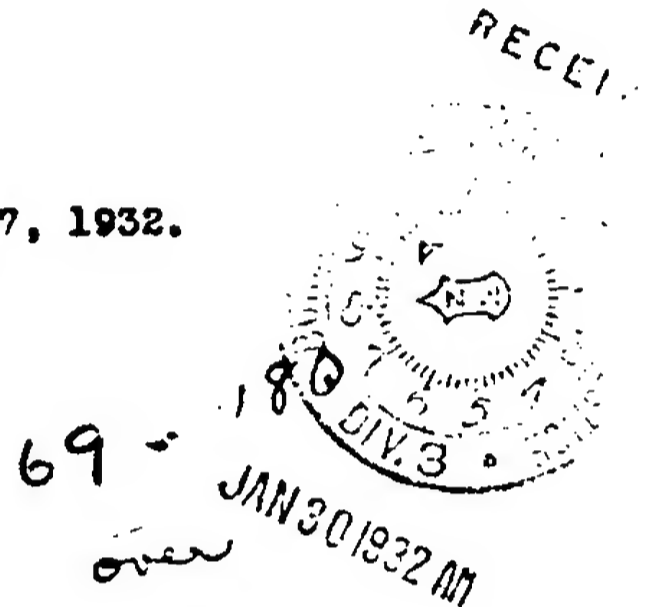
DIVISION ONE
JAN 23 1932 PM

RECEIVED



JAN 30 1932 AM

January 27, 1932.



Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Re: David T. Moneypenny,
Superintendent;
George Gibson,
Assistant Superintendent;
Cook County Jail;
Contempt of Court.

Dear Sir:

There is attached hereto a newspaper
item appearing in the Chicago Herald and Examiner
dated January 27, 1932, concerning the above
entitled matter.

Very truly yours,

M. H. Purvis, Acting
Special Agent in Charge

MHP:RMB
#69-41

69-180-104
BUREAU OF INVESTIGATION
JAN 29 A.M.
DEPARTMENT OF JUSTICE
FILE

FEB 1 1932

CHICAGO HERALD AND EXAMINER, JANUARY 27, 1932

DAVID T. MONEYPENNY, SUPERINTENDENT;
GEORGE GIBSON, ASSISTANT SUPERINTENDENT;
COOK COUNTY JAIL; CONTEMPT OF COURT.
CHICAGO FILE #69-41

Tighten Up Jail Rules on Capone

Further restrictions against visitors were ordered by United States Marshal H. C. W. Laubenhimer and Warden David Moneypenny yesterday, after an investigation of charges that Al Capone runs his business from within the county jail.

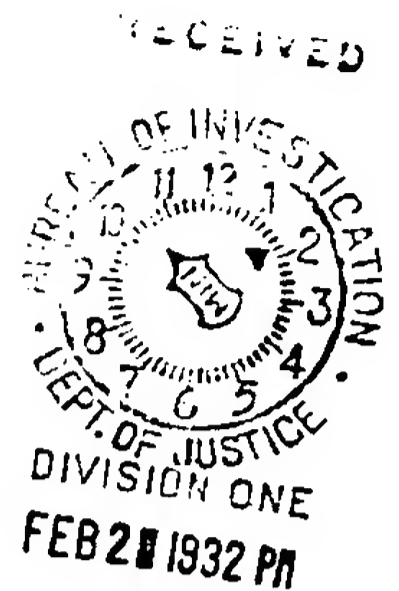
As a result of the orders, Capone will have contact with only two other prisoners in the hospital ward. At the same time, federal officials reconsidered the issuance of a pass to State Representative Charles Coa, who explained he wanted "to say 'hello' and how are you" to the gang chief.

48

69-180-104

U. S. Department of Justice
Bureau of Investigation

P. O. Box 1405,
Chicago, Ill.



January 30, 1932.

Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

There is attached hereto a newspaper item
appearing in the Chicago Herald and Examiner of today
concerning the pay-off headquarters for police in
connection with the various operations of Al Capone.

Very truly yours,

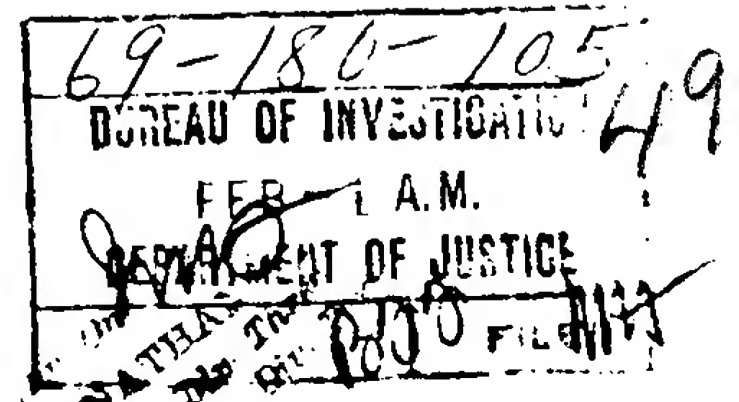
M. H. Purvis

M. H. Purvis, Acting
Special Agent in Charge.

MHP:RMB

RECORDED

FEB 4 - 1932



CONFESSES POLICE HELP TO CAPONE

Aid of Alcohol Dealer Bares
Details of Protection and
Payoffs; Expect Indictments

Confession of arrangements for the protection of Capone liquor operations, revealed yesterday, is expected to have a direct bearing on the return of income tax indictments against several police captains who have been under federal investigation.

The confession, made by Homer West, Negro chauffeur for Sam Rinella, convicted Capone distiller, tells of police convoys for deliveries of alcohol, districts in which the gang had immunity at all times and of regular collections by police at a "payoff" headquarters.

JURY GETS DATA.

Information on captains' incomes, first obtained by the special county grand jury a year ago, has been taken over by the federal staff. An adequate explanation was ever made by several of the captains for large deposits made at their banks.

West's confession, made after he had served a short sentence for operating a still, was disclosed by Daniel Anderson, assistant United States attorney. It is expected to be a major factor in the income tax cases.

COULD 'DO ANYTHING.'

"There were some police districts where we could do anything," West stated in his confession. "I could drive sixty miles an hour through them. If a motorcycle officer chased us, he would signal to go ahead when he saw that Rinella was in the car. Other districts we had to be careful about."

The "payoff" for police was made in a barber shop in Twenty-second st., it was stated and officers and squads came there for their money.

CARRIES \$50,000 IN CASH.

Rinella's business was so profitable that he sometimes had \$50,000 in cash after a deal, West said.

West was sentenced Monday to 15 years in prison for his part in the operation of the still at

50

69-180-105

177-222
69-180-106

February 1, 1932

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL HISSON.

I am attaching hereto a copy of a letter received from the Acting Special Agent in Charge of the Chicago, Illinois office, Bureau of Investigation, relative to an allegation that certain undue privileges have been accorded ALFONSE CAPONE, while incarcerated in the Cook County Jail, Chicago.

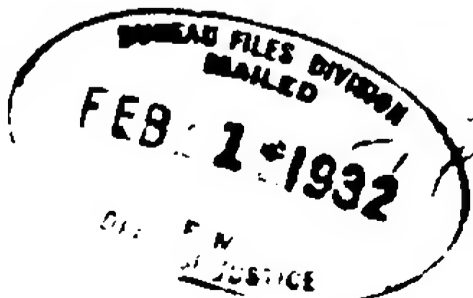
I am entirely in accord with the statements made by Acting Special Agent in Charge Purvis to Assist United States Attorney Clarkson and the United States Marshal at Chicago, to the effect that there is no Special Agent of the Bureau of Investigation available for such an assignment, nor is there any necessity for a Special Agent of the Bureau of Investigation being assigned to work with the Deputies Marshal guarding Capone.

A copy of the attached letter has been forwarded to the Director of the Bureau of Prisons.

Very truly yours,

Encl. #126927

RECORDED



| | |
|-------------------------|--|
| 69-180-106 | |
| BUREAU OF INVESTIGATION | |
| FEB 2 1932 P.M. | |
| DEPARTMENT OF JUSTICE | |
| FILE | |

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RECEIVED



RECORDED
FEB 10 1932

STAMP
67-180-107

February 6, 1932

FEB - 8 1932

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL SINGER.

With further reference to my memorandum of February 1, 1932, relative to an allegation that certain undue privileges have been accorded Alphonse Capone, while incarcerated in the Cook County Jail, Chicago, I am attaching hereto a copy of a letter received from the Acting Special Agent in Charge of the Chicago, Illinois, office of this Bureau.

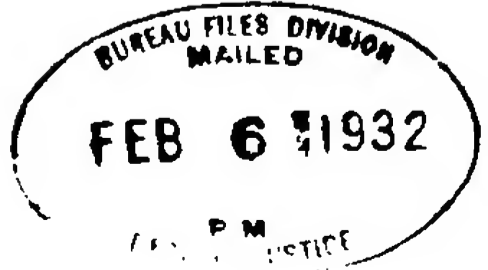
Very truly yours,

Director.

Enclosure 67-180-107.

B.O.O.

1773



52

53

Incidentally, Mr. Moneypenny informed us confidentially at the conference on January 26 that his seriousness of purpose might further be substantiated by the fact that he desired no unfavorable publicity, because he hoped at some time in the future to secure the position of Warden of the Penitentiary at Joliet, Illinois.

I was informed by Mr. Laubenheimer that a conference was held last Friday with the Sheriff, and that the latter was to advise the Marshal concerning this matter at once. However, Mr. Laubenheimer states that he has not received any call from the Sheriff up to the present time. The Marshal further advised me that he offered as a suggestion to the United States Attorney, that Capone be sent to the Great Lakes Naval Training Station or to Fort Sheridan, preferably the former, and placed in the brig there, but that this suggestion had probably not met with a favorable reaction.

Mr. Laubenheimer again suggested that the presence of an Agent of this Bureau at the Jail to supervise the passes of persons visiting Capone on visiting days would, he felt sure, be the most logical solution. He was, of course, informed that I did not believe the solution to be quite logical, and that it was without my jurisdiction, and that the limited personnel of this office did not allow such procedure in any event. It is my belief that this idea is definitely out of his mind now.

Mr. Laubenheimer further stated that the Sheriff has not called him, although he has been expecting him to do so momentarily, and it appears that no concrete action is being taken to prevent Capone's communication with outsiders, unless it is being done at the Jail, and at the present time no inquiry has been made there. I am holding this matter in the present status, and intend to make no inquiry at the Jail unless further developments take place, inasmuch as I believe such inquiry there would be fruitless.

For your further information, and with reference to my letter of January 27, 1932, with which was enclosed a newspaper item appearing in the Chicago Herald and Examiner of that date concerning State Representative Charles Coia, please be advised that Mr. Laubenheimer informed me this morning that his information is that Mr. Coia is taking this matter up with Senator James Hamilton Lewis with the request that the Senator inquire of the Attorney General the reason why "a citizen who is clean" cannot be allowed the privilege of a visit with Capone. Mr. Coia, I am informed, still has the pass which grants him permission to visit with Capone, but the Marshal states that to date he does not believe Mr. Coia has used it.

Very truly yours,

M. H. Purvis

M. H. Purvis, Acting
Special Agent in Charge.

W7:EM
69-180-

MEMORANDUM FOR THE DIRECTOR,
BUREAU OF PRISONS.

With further reference to the investigation concerning the alleged undue privileges which have been accorded Alphonse Capone, while incarcerated in the Cook County Jail, Chicago, Illinois, there is being transmitted herewith a copy of a letter received from the Acting Special Agent in Charge of the Chicago, Illinois, office of this Bureau.

Very truly yours,

Director.

Enclosure #731971.

69-

RECORDED

69-180-108

| | |
|-------------------------|------|
| BUREAU OF INVESTIGATION | |
| FEB 8 1932 P.M. | |
| DEPARTMENT OF JUSTICE | |
| | FILE |

55

B.O.O.

BUREAU FILES DIVISION
MAILED
FEB 6 1932
P.M.

Bureau of Investigation

From: Division Six.

February 12th 1932.

To: _____ Director.
_____ Mr. Nathan.
_____ Mr. Tolson.
_____ Miss Gandy.
_____ Mr. Egan.
_____ Chief, Div. 2.
XX _____ Chief, Div. 3.
_____ Chief, Div. 4.
_____ Chief, Div. 5.
_____ Chief, Div. 7.
_____ Chief, Div. 8.
_____ Chief, Div. 9.
_____ Chief, Div. 10.
_____ Mr.

MR. COFFEY;

Attached is the record of Al Capone,
as requested.

JCM

RECEIVED

FROM

ASSISTANT ATTORNEY GENERAL YOUNG

TO

OFFICIAL INDICATED BELOW BY CHECK MARK



Memorandum

DIVISION ONE

FEB 11 1932 PM

*Have you
formation call
for in marked
for?*

4 2/11

*Memo Youngquist
2-13-32
EPC*

- The Attorney General.....
- The Solicitor General.....
- Assistant to the Attorney General.....
- Assistant Attorney General Sisson.....
- Assistant Attorney General Richardson.....
- Assistant Attorney General Rugg.....
- Assistant Attorney General Dodds.....
- Assistant Attorney General St. Lewis.....
- Mr. Henderson.....
- Mr. Key.....
- Mr. Klefer.....
- Mr. Morrison.....
- Miss Lentner.....
- Director of Prohibition.....
- Assistant Director of Prohibition.....
- Bureau of Prohibition.....
- Director, Bureau of Investigation.....
- Director, Bureau of Prisons.....
- Division of Accounts.....
- Mail & Files.....
- Supply Division.....
- Chief Clerk.....
- Appointment Clerk.....
- Pardon Attorney.....

RECORDED
&
INDEXED

FEB 17 1932

*2 encl
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69-180-109
BUREAU OF INVESTIGATION
FEB 15 1932 P.M.
DEPARTMENT OF JUSTICE
FILE

C
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P
Y

Richmond and Henrico County Branch
of

WOMEN'S ORGANIZATION
for

NATIONAL PROHIBITION REFORM

Hotel John Marshall
Richmond, Virginia
Dial 3.3138

February 10, 1932.

Department of Justice
Washington, D.C.

Gentlemen:-

Will you please send me information
on the items mentioned below:

How many times was Al Capone arrested before
his final conviction?

What charges were brought against him before
his final arrest and conviction.

How many, and what were the indictments were
against him in his final trial?

A copy of the Judge's charge to the jury con-
victing Capone.

Very truly yours,

(s) Julia Sully
Executive Secretary.

FEB 17 1932

| | |
|-------------------------|---------|
| 69-180-109 | |
| BUREAU OF INVESTIGATION | |
| FEB 15 1932 P.M. | |
| DEPARTMENT OF JUSTICE | |
| Div Three | Div Two |
| FILE | |

58

C
O
P
Y

DEPARTMENT OF JUSTICE
Bureau of Investigation

Washington, D.C.

October 30, 1931.

United States Marshal,
Chicago, Ill.

Dear Sir:

Referring to your print received Oct. 30, 1931, regarding Alphonse Capone, #---, the following is an abstract of subject's fingerprint record on file in the Bureau of Investigation:

Subject as Alphonsus Capone, #B-5496, received Philadelphia County Prison, Holmesburg, Pa., May 14, 1929, crime carrying concealed deadly weapons; sentence 1 year.

As Alphonse Capone, #90725, arrested Philadelphia, Pa., (PD), May 17, 1929, charge suspicious character and carrying concealed deadly weapons; disposition not given.

As Alphonsus Capone, #C-5527, received St. Pen., Philadelphia, Pa., August 8, 1929, from Philadelphia, crime carrying concealed deadly weapons; sentence 1 year.

As Alphonse Capone, #3563, arrested Miami, Florida, (PD), May 8, 1930, charge investigation - vagrancy; released on writ, May 8, 1930.

As Alphonse Capone, #C-28169, arrested Chicago, Ill., (PD), Feb. 25, 1931, charge general principles; disposition not given.

As Alphonse Capone, #---, arrested by U.S. Marshal, Chicago, Ill., date, charge and disposition not given. (Print received Oct. 30, 1931).

The following notations appear on our records:

- *Al Capone, New York City, suspected of murder; discharged.
- Al Capone, Chicago, Ill., suspected of murder; discharged.

59

69-180-109

U.S. Marshal,
Chicago, Ill.

(Notations continued):

Alphonse Capone, Chicago, 1-23-24, suspicion; dis-
charged.

Alphonse Capone, New York City, 12-27-25, homicide; dis-
charged.

#3563, PD Miami, Florida, 5-13-30, investigation; re-
leased on writ.

#3563, PD Miami, Florida, 5-19-30, vagrancy; forfeited \$100
bond.*

Very truly yours,

J. E. Hoover
Director.

Copy to -

Philadelphia Co. Prison,
Holmesburg, Pa.

PD Philadelphia, Pa.

St. Pen., Philadelphia, Pa.

PD Miami, Florida.

PD Chicago, Ill.

Bureau Office, Chicago,
Ill.

60

69-180-109

RECORDED
&
INDEXED

WPC:RCS

February 13, 1932.

FEB 17 1932

MEMORANDUM FOR ASSISTANT ATTORNEY GENERAL ROUGHERY

There is returned herewith the original letter addressed to the Department, dated at Richmond, Virginia, February 10, 1932, from Julia Sully, Executive Secretary, Women's Organization, National Prohibition Reform. In accordance with your request, there is also attached hereto a copy of the criminal record of Al Capone, as reflected in the files of this Bureau.

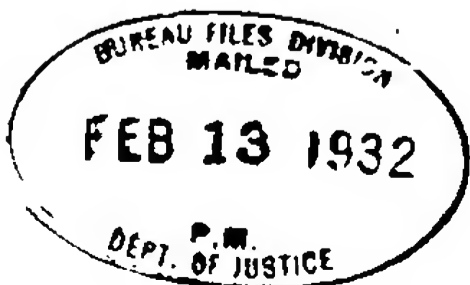
Very truly yours,

Director.

Encl. #730898

69-180
over

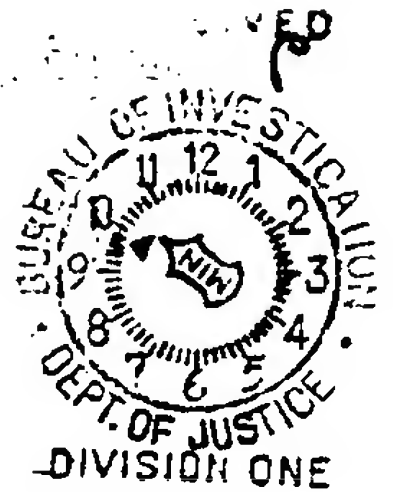
SPC



RECEIVED

U. S. Department of Justice
Bureau of Investigation

P. O. BOX 1405,
CHICAGO, ILL.



February 27, 1932.

69-180

H
9
MAR - Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Re: Alphonse Capone;
Kenneth Phillips, M.D.
Contempt of Court;
Perjury.

Dear Sir:

With reference to the above captioned case, please be advised that inquiry at the office of the Clerk of the U. S. Circuit Court of Appeals reveals that no decision on the appeal of Subject Capone on the sentence imposed by U. S. District Judge Wilkerson on March 2, 1931, has been given.

February 26th being the last day of the January session of this court, it would appear from the statement of K. J. Carrick, Assistant Clerk, that the chances for a decision on this case within the next thirty days are very good. He stated that the new term begins on the second Tuesday in April 1932 and that the prospects are good for disposition of all cases now on the docket before that time.

Very truly yours,

M. H. Purvis

M. H. Purvis, Acting
Special Agent in Charge.

LPO:HJ
69-19

RECORDED

MAR 7 - 1932

| | |
|-------------------------|------|
| 69-180-110 | |
| BUREAU OF INVESTIGATION | |
| FEB 29 A.M. | |
| DEPARTMENT OF JUSTICE | |
| NATHAN | FILE |

ONE
NATHAN
172
DIO
THREE

62

SC

U. S. Department of Justice
Bureau of Investigation

P. O. Box 1405,
Chicago, Ill.

February 29, 1932.

MAR 2 1932 PM

Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

There are attached hereto newspaper items appearing in the Chicago newspapers concerning the appeal of Alphonse Capone. It will be further noted that the item appearing in the Chicago Herald and Examiner dated February 28, 1932, states that Deputy United States Marshals have been placed in the County Jail for the purpose of guarding Capone, to prevent his carrying on his gang activities from his cell.

Very truly yours,

M. H. Purvis

M. H. Purvis, Acting
Special Agent in Charge.

mhp-rmb

RECORDED
&
INDEXED

MAR 4 - 1932

| | |
|-------------------------|------|
| 69-180-111 | |
| BUREAU OF INVESTIGATION | |
| MAR - 2 A.M. | |
| DEPARTMENT OF JUSTICE | |
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| NATHAN | |
| DO. TWO | |
| DO. THREE | |

NEWSPAPER CLIPPINGS

2-26-32

U. S. POSTS CONTINUOUS GUARD FOR AL CAPONE

Three Eight-Hour Shifts at
Cell After Charges Chief Is
Running Gang From Jail

On orders direct from Washington, a twenty-four-hour-a-day guard by deputy United States marshal was placed over Al Capone in the county jail yesterday.

The action is the government's answer to persistent reports that Capone is running his gang from his cell.

Supporting this belief was the admission by Samuel G. Clawson, assistant United States district attorney, that he and his associates have received "confidential information," not sufficient to warrant criminal action, but "important enough to demand inquiry."

BIG SHOTS CALL

Murray Humphries, Jake Guzik, Joe Fusco and George ("Red") Barker are among the "big shot" gangsters who have been visiting Capone at the jail, according to reports reaching the government.

Other reports have been that Capone has actually been allowed to leave the jail, that he has been allowed to entertain his friends at elaborate banquets and that he has been given numerous privileges.

Because of these reports three deputies have been assigned to watch the main chief's cell, each working an eight-hour shift.

FIRST TAKES POST. Paul Wunderlich was the first deputy to take post by the home-like dormitory where Capone has enjoyed the clean sheets and comfortable surroundings that do not go with regular cells.

Newspapermen were called in by Marshal H. C. W. Laubenthal, Sheriff William D. Meyerling and Warden David Monypenny to hear of the step. The trio had been in conference for almost two hours.

Laubenthal said his orders are to permit only Capone's wife, his 20-year-old mother, his son and his attorneys, Michael Ahern and Albert Fink, to visit him. He will not even be allowed visiting day privileges accorded other prisoners.

The marshal said the orders resulted from several conferences of Department of Justice officials and district attorney's office representatives. He would not say whether Judge Wilkerson, who sentenced Capone to eleven years' imprisonment for income tax fraud, participated.

APPEAL RULING SOON

Capone's case is expected to be ruled upon soon by the United States Court of Appeals.

Reports that he had been receiving undue liberties have arisen before and resulted in investigation.

Orders were issued that no one should see Capone unless he had a pass from Marshal Laubenthal, approved by the district attorney's office.

USE GENERAL PASSES

Despite this precaution, there have been persistent reports that hoodlums have obtained general passes to visit the jail and have used this entree to get to Capone.

Under the new and more rigid surveillance the government intends to make certain that, if Capone has not been properly guarded heretofore, he will be from now on.

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69-180-111

February 27, 1932.

AL CAPONE'S CONVICTION

AL CAPONE'S CONVICTION IS UPHELD

21-Year Term and Fine of \$50,000 Stand, Appeals Court Rides

The United States Circuit Court of Appeals, in a 5-3 decision, today affirmed Federal Judge James H. McAllister's conviction and 21-year sentence of Alphonse Capone for tax evasion. The court also affirmed the \$50,000 fine imposed on the convicted bootlegger.

Capone, 37, was arrested in 1930 and sentenced to 30 years in prison for tax evasion. He was later paroled and served time in the Illinois State Penitentiary. He was again arrested in 1931 and sentenced to 30 years in prison for tax evasion. He was later paroled and served time in the Illinois State Penitentiary. He was again arrested in 1931 and sentenced to 30 years in prison for tax evasion. He was later paroled and served time in the Illinois State Penitentiary.

DRUGS REMOVED FROM COURT. Drugstore removal followed the trial by Federal Judge John P. Barnes of a plea for a fourth conviction, filed by Attorney Jacob Goehls. The judge sent a physician to examine Druggan. The doctor reported Terry was not fit to travel, so the judge ordered him to Leavenworth, exclaiming: "The people of the community are tired of hearing about Druggan's illness."

Terry already had been permitted to remain in the hospital three weeks. Awaiting him in the penitentiary was his former beer partner, Frankie Lake, who is serving eighteen months for his income tax trouble.

LEAVES COMPLAINTING. Druggan left Chicago complaining he was a "very sick man," but admitting he was willing enough to "get this over." As the train pulled out a blond young woman ran through the station in a vain effort to bid him goodbye. Asked her name, the supposed sweetheart of Druggan played safe and answered: "Mary Dee."

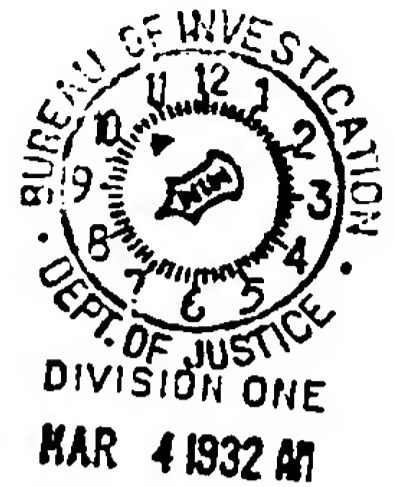
The beer man's parting statement to reporters was a revelation that "this is a bum rap." He tried to play fair, he insisted, but the government wouldn't let him.

64-180-111

N UPHELD

U. S. Department of Justice
Bureau of Investigation

P. O. Box 1405,
Chicago, Ill.

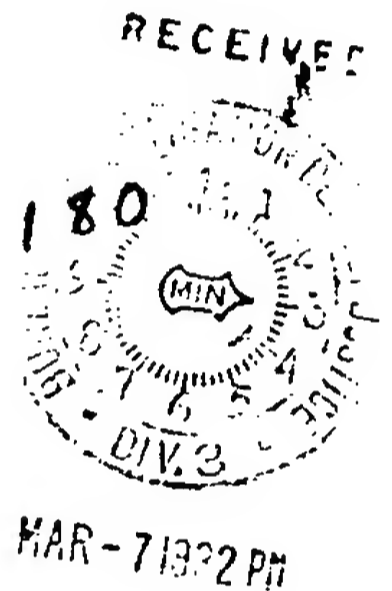


March 1, 1932.

Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

There are forwarded herewith newspaper
items and editorials concerning Alphonse Capone.



Very truly yours,

M. H. Purvis

M. H. Purvis, Acting
Spec. Agt. in Charge.

MHP:RMB

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&
INDEXED
MAR 9 1932

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| 69-180-112 | |
| BUREAU OF INVESTIGATION | |
| MAR - 3 A.M. | |
| DEPARTMENT OF JUSTICE | |
| DR. ONE NATHAN TO DR. TWO DR. THREE | FILE |

EXPECT CAPONE TO WAIT IN JAIL A MONTH LONGER

U. S. to Withhold Action Pending Rehearing Plea

Al Capone, it appeared yesterday, will remain in the county jail for at least another month before being taken to a federal penitentiary to serve his eleven year term for income tax dodging.

United States Attorney George E. Q. Johnson and his assistants had been considering the propriety of requesting the United States Circuit Court of Appeals, which on Saturday affirmed his conviction, to issue a mandate for the gangster's immediate transfer to the penitentiary. But after a conference late yesterday, Mr. Johnson issued the following statement:

"Government's counsel do not expect to take any action until defendant's counsel have made clear their course."

Will Ask a Rehearing.

This course was made clear by Attorney Michael Ahern, who said he would file a petition for a rehearing within the twenty days he is allowed by the Circuit court. District Attorney Johnson was not officially apprised of this determination, but in view of the defense plans it was regarded as unlikely that the prosecution would take any action until after the motion for a rehearing was acted upon.

The government is allowed ten days after the defense files its petition for a rehearing in which to file an answer, although ten days are seldom needed, and the Circuit court usually acts promptly upon such a petition.

Prepared to Seek Writ.

Attorney Ahern said that he would

apply to the United States Supreme court for a writ of certiorari if the Circuit court refuses a rehearing of the Capone appeal, and he would be allowed ninety days to file this petition. But if the rehearing is denied, the prosecutors, it was reported, will certainly oppose the granting of a stay of execution for Capone for the three months.

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69-180-112

**METROPOLITAN
EDITION**

PRICE TEN CENTS

WELD

GANGDOM CHIEF LOSES FIGHT IN APPEALS COURT

Faces a Quick Trip to Leavenworth.

The possibility of an early trip to Leavenworth penitentiary confronts Al Capone, foremost public enemy, whose conviction and sentence to seven years' imprisonment for income tax evasion was affirmed yesterday by the United States Circuit Court of Appeals.

Capone has been in the county jail, without credit toward his prison sentence, since Oct. 24. He was denied bail by both Federal Judge James H. Wilkerson and the Circuit Court of Appeals, but a writ of supersedeas was granted, staying his removal to the penitentiary.

Prosecutors Study Opinion

Under a rule of the Circuit court a defendant has twenty days in which to apply for a rehearing of his appeal, during which time the prison mandate is customarily stayed. However, this is within the discretion of the court.

United States Attorney P. Q. Johnson and his assistants said they desired until tomorrow to analyze the Circuit court's opinion before deciding what course to follow, but it was understood they will move for the issuance of the mandate to take Capone to prison at once.

Such a motion would be based on the fact that Capone was denied bail.



Al Capone, gang chieftain, whose eleven years' prison term and \$50,000 fine for income tax fraud was upheld yesterday by United States Circuit Court of Appeals.

(TRIBUNE PHOTO)

69-180-112

It is the opinion of the court that the defendant is still within the discretion of the circuit court either to grant or to refuse a stay of execution after acting upon the motion for a rehearing, pending an appeal to the United States Supreme court.

After a motion for a rehearing is denied the defense has ninety days in which to file a petition for a writ of certiorari with the Supreme court. This can be done while the defendant is in the penitentiary, as in the case of Virgil L. Linder, mail robber.

Neither Attorney Michael Ahern nor Attorney Albert Fink could be reached yesterday, but throughout their conduct of the defense they indicated that the case would be taken, if necessary, to the Supreme court.

Appeals Court Ruling.

The opinion of the Circuit court was unanimous and it upheld Capone's conviction on all of the five counts set up by the jury in its verdict of guilty, namely, willful attempts to evade and defeat income taxes for the years 1925, 1926, and 1927 and willful failure to file income tax returns for the years 1928 and 1929.

Judges Samuel Alschuler, Evan A. Evans, and Will M. Sparks heard the appeal and Judge Sparks wrote the opinion, which federal prosecutors termed exhaustive and clear cut.

The merits of the defense contentions were found by the Appellate court to be at most technical, and the errors relied upon, if conceded, not sufficient to affect the substantial rights of the defendant.

The Defense Contentions.

The defense contended that the indictment was phrased in the generic terms of the statute and was not sufficiently particular to enable the accused to prepare a proper defense. It was also contended that Capone could have been tried twice for the same offense, had he been found not guilty on the evidence adduced at the first trial.

Judge Wilkerson erred, it was charged, in not sustaining, first, a demurrer to the indictment, and second, a motion in arrest of judgment. These were the only assignments of error, there being no attack on the sufficiency of the evidence.

"Interpreting these constitutional provisions," said the Circuit court's opinion, "courts have quite generally held that where the offense is purely statutory, having no relation to the common law, it is, as a general rule, sufficient in the indictment to charge the defendant with acts coming fully within the statutory description in the substantial words of the statute."

An Essential of Indictment.

"But it is also true that the accused must be apprised by the indictment, with reasonable certainty, of the nature of the accusation against him, to the end that he may prepare his defense and plead the judgment as a bar to any subsequent prosecution for the same offense."

The opinion pointed out that the cases in which indictments have been attacked on these constitutional grounds are legion, that some have been held good and others bad, de-

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The sentence imposed by Judge Wilkerson, besides a \$50,000 fine and one of the prosecution, aggregates ten years in the penitentiary and one year in jail, the full term to be served after completion of the penitentiary term.

Capone pleaded guilty after the indictment was returned, having an understanding with the prosecution that a recommendation as to his punishment would be made to the court. But before he appeared for sentence, reports purporting to come from the defense and stating that the punishment was to be two and one-half years were published.

When the case was called Judge Wilkerson recognized the propriety of an agreement between the government and a defendant in exchange for a plea of guilty and the duty of the court to give consideration to the government's recommendation. But he made it plain that the court could not be bound as to its final judgment and told Capone:

"It is utterly impossible to bargain with a federal court."

Tried Before a Jury.

The plea of guilty was withdrawn and Capone went to trial before a jury. The government showed by the testimony of witnesses and by documentary evidence that Capone was engaged in the gambling business in Cicero as one source of income, and that he admitted this to state authorities in Miami, Fla.

The profit of these Cicero gambling establishments were shown to have run into thousands of dollars a month.

Telegraphic records showing the transmission of some \$100,000 to Capone in Florida by Cicero gamblers were introduced.

A so-called confession letter, tendered by Capone's civil tax expert to revenue agents, admitted that he was the member of a "syndicate" and that his profits ranged as high as \$100,000 a year. Income of at least \$100,000 was admitted in this letter, and the letter was received into evidence.

Finally, the government introduced evidence of Capone's lavish expenditures, including thousands of dollars a month for his bills at the Metropole hotel and later the Lexington hotel. The purchase of sixteen cylinder automobiles, luxurious household furnishings, personal effects befitting the wardrobe of an oriental potentate, and diamond studded belt buckles as gifts for friends also was shown by the government.

GEN. MA, REPORTED AS SLAIN, BEGINS JOB AS 'PUPPET'

TOKIO, Feb. 27.—[U. P.]—Gen. Ma Shao-chen, recently reported assassinated, has begun his duties as governor of Heilungkiang province at Qiqihar. He will attend the promulgation of the new Manchurian state at Changchun March 1, the Nippon Dempo News agency reported today.

[Gen. Ma, who became a hero in Chinese eyes as a result of his Kwantung battle in defense of Taitochar against the Japanese last fall, was reported murdered in Chinese dispatches Thursday from Harbin, Manchuria. He has fallen low in Chinese public opinion since he apologized to Gen. Iwano Tomen, Japanese commander, for causing him "inconvenience" at the Hound river.]

PART I—PAGE

pending on the particular facts before the court.

"In the instant case," the opinion went on, "the indictment is not deficient in this respect, for it states the total amount of appellant's income for the years in controversy; it sets forth the credit to which appellant is entitled; it describes his civil condition as that of a married man with one dependent, and informs him as to the exact amount of the tax due."

"It is contended by appellant that the indictment should have specified the means by which he attempted to evade or defeat the payment of the tax. But, the statute says that every attempt to evade or defeat the payment of income tax is a violation of the law."

"We are convinced that the allegation in relation to appellant's attempt to evade and defeat the payment of the tax in the instant case is sufficient, and that the objection thereto is one of form rather than substance. The form is indeed quite general, and this fact would have abundantly justified appellant in asking the court to require the district attorney to furnish a bill of particulars as to the specific attempts to evade and defeat; and we cannot presume that the request would have been refused."

"But appellant made no such request, and he now has no reason to complain."

Other Cases Reviewed.

The opinion reviewed some of the citations of the defense, and referred to others, after which this conclusion was reached:

"In all the cases relied upon by appellant which we have specifically referred to, as well as other cases which he has cited, it is quite apparent that the defendant's constitutional rights were not sufficiently protected by the allegations of the indictment; but we find no such conditions existing with relation to the indictment now before us. It is not to be denied that appellant should be fully protected against a second or subsequent jeopardy for any offense involved in the instant indictment, and we think he is so protected."

The court's opinion coincided in most respects with the contentions of Assistant United States Attorney Jacob L. Grossman, who argued on the appeal and who, with Assistant District Attorneys Dwight H. Green and Samuel G. Clawson, prosecuted Capone.

News that his appeal had been lost was carried to Capone in his cell at the county jail by Assistant Warden Edward Nettles. Capone left a card game with his companions in his "emergency hospital" cell and met Warden Nettles at the door.

"Your case has just been upheld by the Appellate court," said the warden. Capone shrugged his shoulders, said nothing, went back to the card game on his cot. Reporters were barred from Capone's section of the jail by the deputy United States marshal on guard.

History of Capone Case.

Capone was originally charged, in an indictment returned last June, with attempting to evade a total of \$733,800 in income taxes for the years 1924 to 1929. Indictment was returned by the grand jury of the Southern District of New York.

Appeals Court Upholds Prison Term for Al Capone



Left to right: Judge Will M. Sparks, who wrote opinion upholding Capone sentence; Presiding Judge Samuel Alschuler and Judge Evan A. Evans, who concurred in finding.

JUDGE WILKERSON AND CAPONE.

The United States Circuit Court of Appeals has affirmed unanimously the conviction of Alphonse Capone. In so doing the court has underwritten and approved the conduct of the trial by Judge Wilkerson and the sentence of eleven years' imprisonment which Judge Wilkerson imposed.

The action of the higher court is significant in connection with the opposition which has developed to Judge Wilkerson's promotion to the Appellate bench. Before Capone appeared for trial an understanding had been reached with the government for pleas of guilty to some of the charges against him. Capone thought, rightly or wrongly, that he was going to receive a light sentence.

Judge Wilkerson refused to become a party to such an arrangement. He served notice that if Capone wished to plead guilty he must understand that no arrangements regarding his sentence would be regarded as binding by the judge. Accordingly, Capone pleaded not guilty, the jury returned its verdict and the judge imposed a sentence far more severe than Capone had expected to receive.

It would be astonishing, in view of these circumstances, if Capone and his criminal associates did not regard Judge Wilkerson as an enemy. It would be even more astonishing if men of gangster mentality did not seek to revenge themselves upon the man they regard as their enemy. That they have done so is clear. They have not dared to employ their usual methods against the judge but they have brought every influence they can wield against the judge's promotion. The opposition to the confirmation of Judge Wilkerson's appointment has come, nominally, from labor, but the animating force in the opposition is gangdom and its desire for vengeance.

Gangdom, as Chicago well knows, is not without its political allies. They are to be found in every branch of the government, federal, state and local. Gangdom has key men in office and organized voting strength. It is not without significance in this connection that Capone was able to come to an understanding regarding his sentence with the department of justice. Today gangdom is moving heaven and earth to punish the man who defied its leader and upset his arrangements.

There is in the opposition to Judge Wilkerson's confirmation something more than a blind frenzy for revenge. If Judge Wilkerson is promoted the impotence of gangdom will have been revealed. If the confirmation is denied, every official, and particularly every federal judge, will have received unmistakable notice that gangsters are not to be treated like ordinary defendants but as a privileged class in the community. Those are the alternatives which today confront the United States senate.

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69-180-112

RECEIVED

U. S. Department of Justice
Bureau of Investigation

P. O. BOX 1405,
CHICAGO, ILL.

MAR 23 1932

March 23, 1932.

MAR 26 1932 P.M. Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

There is attached newspaper item appearing in the
Chicago Herald & Examiner, dated 3/23/32, concerning the
disposition of the Income Tax Fraud case against Al Capone
by the United States Circuit Court of Appeals.

Another item is enclosed from the same paper
relative to five Capone henchmen being arrested.

Very truly yours,

M. H. Purvis

M. H. Purvis, Acting
Special Agent in Charge.

MHP:HJ

Encl.
at 5
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MAR 28 1932

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| BUREAU OF INVESTIGATION | |
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| U. S. DEPARTMENT OF JUSTICE | |
| Div. One NATHAN Div. Three | FILE |

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NEWSPAPER CLIPPING

FIVE CAPONE CHIEFS PARADE --IN SHOW UP!

Humphries, Gambling Leader,
Seized; Hunt, Appealing Gun
Charge, Caught With Pistol

Five Capone henchmen—directors of the Capone syndicate since Al has been put in jail—were arrested yesterday and paraded last night at the showup at the detective bureau.

Murray Humphries, known as general manager of Capone's gambling interests, was picked up as he sat in his automobile in front of the New Southern Hotel at Thirteenth st. and Michigan av. Seized with him were two lesser lights in the organization, Ben Swig and Ben Bahrin.

SQUAD NABS TWO.

About the same time a detective bureau squad picked up Sam and Joe Hunt, brothers, in front of 6831 Jeffery av.

Sam Hunt has an extensive police record. He was arrested following a shooting on the North Side, carrying a machine gun in a golf bag.

ARRESTED WITH GUN.

Later, Sam was arrested with a revolver after a shooting near the Art Institute. He is appealing a sentence for carrying concealed weapons. When he was arrested yesterday he carried a snub-nosed revolver.

Several hours after the five arrests, John H. Johntry, attorney, appeared at the Criminal Courts Building and asked for writs of habeas corpus for the quintet. He withdrew his application, however, after police promised to book the prisoners.

U. S. SPEEDING CAPONE'S CASE

Prospect for an early disposition of Al Capone's income tax fraud case by the United States Circuit Court of Appeals was in prospect yesterday when the government filed its answer to Capone's petition for a rehearing of his case by the Circuit Court.

The government's answer, filed by Jacob L. Grossman, assistant district attorney, was brief, asserting that the case had been "fully and forcefully argued" and given thorough consideration by the court in affirming the lower court conviction and sentence of eleven years in Leavenworth.

Observers expressed belief the Circuit court's decision may be made known this week.

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To:

Director
Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Hughes
Mr. Egan
Inspector
Division Seven
Bureau Files
Personnel Files
Stenographic Pool
Identification Division

NOT RECORDED C. A. Appel.
Room 420.

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The Man who got Al Capone

A DUST-COVERED BOOK
AND A BALTIMOREAN'S DEDUCTIONS
by
PAUL WARD



THE NEMESIS OF AL CAPONE

X Baltimore Sun
March 20 1932

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X NEWSPAPER CLIPPING

TREASURY officials are confident that the filing of income-tax returns, completed last Tuesday, produced several million dollars worth of tangible proof that agents of the Internal Revenue Bureau are effective aids to the exchequer. For by their work in the Capone case it is believed they have convinced tax evaders that the Government always gets its man, even if he be a king of gangdom. The work of those men scared nearly a million dollars in delinquent taxes out of racketeers in Chicago alone last year.

Those sleuths, who operated in Chicago, were led, incidentally, by a man who has called Baltimore his home for the last four years. He is Frank J. Wilson, 4008 Clover road, who probably appears to his neighbors more like an insurance agent or salesman than as the man who collected the fuel that went into the fires that burned the props that stood under the house that Capone jack built.

THIS is a heretofore untold story of a vast web of evidence woven by many agents and many agencies until it stretched into far corners of the land; of how they "built a lot of heat" around Capone; of a super-racketeer fighting back, struggling to sever each strand of evidence as it tangled about him; of terrified witnesses and of big-time gamblers unprofessionally addicted to bridge; of Scarface Al's "big mistake"; of an innocent-looking book covered with five years' dust, and, lastly, of the difference between a man's pen and pencil writing that dramatically solved the riddle of the book and sealed the web into an unshatterable whole.

Mr. Wilson, who, until the World War changed the course of his life, was a Buffalo real estate agent, is reticent about his part in the Capone case, but quick to elaborate the results the case is expected to effect. For example, explaining that men who have filed inadequate returns or none at all in the past may escape prosecution by voluntarily filing "delinquent" or "amended" returns and accepting the proportional fines and interest thereon, Mr. Wilson said:

"One big gambler who had not made any return for several years has come through with a payment of over \$300,000. He confessed that he had been scared by the Capone case. 'Delinquent' returns in Chicago during the investigations last year were almost double those of the previous year, increasing nearly \$1,000,000, and we know that we scared most of it in.

"SOME PEOPLE SAY," he continued, "that the Government shouldn't accept taxes on criminal incomes, that it's 'tainted money.' Well, if we didn't go after them and make them pay up, we'd not only be helping them convince themselves they're above all law, we'd also be setting up a tax-exempt group and discriminating against honest citizens, wouldn't we?"

That the conviction of Scarface Al Capone and the chain of income-tax-traitor cases that led up to it have made a lasting impression on tax dodgers, Mr. Wilson is confident. He also is confident that the Internal Revenue Bureau under David Burnet, commissioner, can hold to the pace it set in the Chicago clean-up.

TO ILLUSTRATE the department's attitude toward men of the Capone ilk and its determination to bring them to the bar of justice, Mr. Wilson quoted Commissioner Burnet as saying:

"In the eyes of the Federal Government a gangster is merely a person—not a personage.

"Recently indictments have been secured against a number of men whose names have figured prominently in the press as opponents of constituted authority. Some are in the penitentiary. Others are headed in that direction, guided to their journey's end by the effective and determined work of the representatives of several cooperating agencies. The Bureau of Internal Revenue takes a natural pride in its part of this accomplishment, not because of the notoriety of the men involved, but because it is a forward and compelling step in the disintegration of organizations that had set themselves above the law.

"I've read that others are 'aspiring to the vacant thrones.' Speaking for one branch of the Federal service, my only observation is that the income-tax laws still are on the statute books, and there are no exemptions for 'master minds.'"

MR. WILSON'S MODESTY about his status as Uncle Sam's ace income-tax investigator and about his work as chief of the agents, sent to Chicago when word came down from highest Governmental circles that the income of Scarface Al was to be investigated once and for all, was emphasized by his insistence that there could have been no success without the flawless and wholehearted cooperation extended by many agencies of the Government.

These, as enumerated by Mr. Wilson, included not only his chief, Elmer L. Irey, head of the Internal Revenue Bureau's Intelligence Unit, and Commissioner Burnet, but also the Department of Justice, the Post-office Department, the Commissioner of Narcotics, the Bureau of Immigration, semi-public organizations and, last but not least, George E. Q. Johnson, and his staff in the office of the United States Attorney at Chicago.

It fell to Mr. Wilson's single lot, however, to uncover the bit of evidence that clinched the case against Capone, proving to the satisfaction of court and jury what the world had long known—that Scarface Al, beer baron and super-racketeer, though he had reported no taxable income since 1924, had been making incalculable thousands a year.

Baltimore
Sun
March 20
1932

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Here's the way Mr. Wilson tells the story:

"We'd been working for months and we didn't seem to have got anywhere. I was pretty discouraged and if it hadn't been for the encouragement given us by Commissioner Burnet and Mr. Irey, would have given up several times and gone home. We just didn't seem able to get any evidence linking directly with Capone, and when we did we couldn't get witnesses to make it stick.

"EVERY ONE was hostile. Every witness we needed was dumb as an oyster when it came to talking about Capone. They were a hundred times more afraid of being killed by Capone guns than they were of having to serve a prison term for perjury.

"I was working late at my office, checking up to see just what we had accomplished. By midnight I had decided that it amounted to just about nothing and was ready to go home. I started to put my papers away and the file was locked. I was afraid to leave them out. There were some old files open there that couldn't be locked.

"I thought I'd take the papers out of them, put my stuff in and put the papers back on top of mine. As I was doing this I uncovered a ledger. It had been lying there in that file for about five years and the label on it didn't mean a thing to me. But curiosity made me open it.

"As soon as I looked inside that book I knew we had our case. It was the account of a big gambling house. The memorandum on it said it had been taken in a 1926 raid on a gambling joint in a little Illinois town. I knew the place and I knew there was no house there doing that big a business. I was certain these were the accounts of Capone's gambling joint at Cicero. Later we found out the police had made two raids that day and the books they seized had got mixed up.

"WE HAD BEEN COLLECTING SAMPLES of handwriting of all the men in any way connected with Capone. We compared them with the handwriting in the book, which showed that between May, 1924, when the place opened, and December, the house made about \$300,000, and in two years cleared about \$600,000. None of the handwriting samples matched.

"Well, we worked another month, collecting samples of handwriting and comparing them with the book, but they didn't jibe. I was pretty certain these accounts had been kept by Leslie A. Shumway, who, we had established, was cashier of the house, but the

handwriting wasn't the same. One day I had an idea. We got another sample of Shumway's handwriting, this time one in ink; the other had been in pencil.

"That ink specimen solved our problem. It matched. Shumway had two different styles of writing. When he used a pencil his writing was swift and sure like a certified public accountant's; when he used a pen he wrote like a schoolboy, with a slow, unformed scrawl.

"Well, we had the evidence we'd been looking for. Now, our job was to find our witnesses and get them to stand up to it. We looked for Shumway. Weeks passed. Word came through underground channels that he was in Florida.

"It wasn't hard to find him there. Shumway, a confirmed gambler, liked cards so much that, whenever he had some time off, wherever he was he'd be almost sure to turn up at the Elks' Club for a friendly game of bridge.

"WE WENT TO FLORIDA and found Shumway working for Capone in a gambling house there. Now, Internal Revenue agents have power to subpoena a man and to examine him under oath. We issued a subpoena for Shumway to appear in a case involving the White Steel Company, which doesn't exist, to my knowledge. The subpoena was served on Shumway half an hour before he was to appear at the postoffice so he wouldn't have much time to think things over.

"Of course, Shumway said he didn't know anything about the White Steel Company. The agent serving the summons said there'd probably been some mistake but that Shumway had better appear, that he'd be excused as soon as the authorities found out their mistake.

"Once we had Shumway where we wanted him, we showed him the records. It took some time, but we finally convinced Shumway that Capone's day was done and that he had better come clean. You could do that with only a few of Capone's henchmen.

"But the fact that we got any of these men to talk was the result of a carefully laid plan. We had to convince them Capone could be convicted, that he was not bigger than the Government. We had to build a lot of heat around Capone, and we did it by

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Sun
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